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NEWS SUMMARY

GENERAL

Lesley: Man in court to-day

self-employed tradesman in late thirties will appear in court at Newcastle-under-Lyme, Staffs., to-day in connection with the kidnapping and murder of Shropshire heiress Lesley Whittle.

Commander John Morrison of Scotland Yard, who has been leading the hunt for the Black Panther for nearly ten months, said the man had been living in Bradford, Yorks., with his wife and child. His job involved a certain amount of travel.

The man, who has been identified, was still being questioned yesterday at Kidsgrove. He was detained after an armed Panda car hijack in Mansfield, Notts.

Back home to Balcombe St.

Mr. and Mrs. John Matthews returned to their flat in Balcombe Street, Marylebone, after two days in hospital recovering from their six days as hostages. Mrs. Matthews said she had not expected to survive her ordeal. Police revealed that the North London bomb factory, where some of the gunmen are believed to have lived, was in Crouch Hill, near Finsbury Park. Amid fears of an IRA backlash, Mr. Roy Jenkins, the Home Secretary, warned that there would be no amnesties for cold-blooded killers.

Train siege ends as gunmen give in

The six Moluccan gunmen in the 12-day Beilen train siege surrendered and the remaining 23 hostages were freed unharmed. In Amsterdam, gunfire was heard in the Moluccan-occupied Indonesian consulate, but thought to be accidental or practice shots. Page 5.

Fighting spreads

Lebanon is now on the brink of civil war, with violence spreading to new areas. Some 200 people have been killed in the last 48 hours. The country faces two choices: a solution from the inside or partition. Page 5

Pilgrims killed

Fire which swept through a tent city six miles from Mecca killed pilgrims. Saudi authorities said the blaze was caused by an accidental gas bottle explosion.

Cod war lull

Bad weather and Christmas fish markets have led to many British trawlers sailing home from the disputed fishing grounds off Iceland. Only 21 trawlers remain of the 50 which the Royal Navy was at one time guarding. But Icelandic gales have ruled out attacks by Icelandic patrol boats.

Anti-rabies move

Stray dogs and cats in the Pas-de-Calais region of Northern France are to be caught and shot in an attempt to halt the spread of rabies to the Channel coast.

Land demand

Over 20,000 Portuguese farmers, at a rally in Rio Maior, in the north, demanded that all land taken over in Government's land reform programme should be given back to its owners. Page 5

Clash in Spain

Spanish riot police broke up a demonstration near Bilbao by about 2,000 people calling for an amnesty for Basque political prisoners. Page 5

Briefly . . .

Forty-two people were eaten by crocodiles after their motor-boat sank in the Malili River, Central Celebes, Indonesia.

Indian who kissed a girl in public has been given 14 months' rigorous imprisonment," in the southern state of Andhra.

Verdict on alleged East German spy Guenther Guillaume will be given to-day in the Dusseldorf trial in which the prosecution has called for a 15-year jail sentence.

Six people were taken to hospital in Portadown, Co. Armagh, after a bomb and bullet attack on a Roman Catholic home.

BUSINESS

Russia aims for slower expansion

● A SLOWER rate of expansion with the emphasis on efficiency and quality, is the keynote of the draft of Russia's next Five Year Plan.

But the final version, to be *published next year after discussion* and approval by the Party congress, is expected to raise both growth rates and production targets.

Industrial output will grow by 35 to 39 per cent. during 1976-1980, the draft says. Production of capital goods will rise by 38 per cent. to 42 per cent. and that of consumer goods by 30 to 32 per cent. For the five years now ending industrial output increased 47 per cent. and consumer goods production rose 37 per cent. **Back Page**

● **ISRAEL BUDGET**, to be presented to the Cabinet to-day, is designed to cut the standard of living by 3 per cent. It is feared that the fall may be far greater since public housing is to be halved and private builders may follow suit. **Page 5**

Builders say £6 breaks pay policy

● **BUILDING EMPLOYERS**, due to meet union leaders on Thursday, are expected to refuse a claim for £6 a man, "forthwith," on two grounds: first that they *cannot afford it, and second that* it would breach the 12-month pay policy rule. **Page 7**

● **U.S. BUSINESS** leaders are more optimistic about 1976 than their European counterparts, according to a survey in the *Director magazine*. **Page 4**

● **UNEMPLOYMENT** in the U.K. could rise to almost 1¾m. by the end of next year unless there are changes in Government policy, the Henley Centre for Forecasting predicts. **Back Page**

● **CHRYSLER** dealers are to press for the removal from their contracts of the clause which restricts them to Chrysler U.K. and Simca cars. Earls Court could be the site of the 1977 Motor Show after all, because of a revision in modernisation plans. The number of cars on Britain's roads rose only 1 per cent. last year. **Page 4**

● **INDUSTRIE PIRELLI** is to rescind its planned dismissal of 1,385 workers at three plants as part of a last-minute complex deal with the trade unions.

U.K. faces EEC farm row to-day

● **BRITAIN** seems certain to register strong opposition in Brussels to-day to the EEC Commission demand, as part of its prices package, that the U.K. beef regime be phased out, **Page 5**

● **PUBLIC FUNDS** should be given to political parties, "in interests of parliamentary democracy," recommends the CBI. But the aid should be exclusively for research and educational purposes. **Page 4**

● **SWISS CREDIT BANK** of Zurich last night denied it was prepared to transfer assets from the Harwood Group from Switzerland to New York, as had been ordered by a U.S. judge. **Page 13**

COMPANIES

● **PLESSEY** has disclosed its current order book and a breakdown of profits between its main activities in its registration statement with the U.S. Securities and Exchange Commission in connection with its rights issue. **Lex**

● **NORCROS** half-year pre-tax profits have improved to £4.7m. (4.3m.). The liquidity position is "excellent" say the directors. **Page 12 and Lex.**

● **DAIMLER-BENZ** expects to equal or exceed its record after-tax profit of DM277m., according to a prospectus for the issue of 2m. Mercedes shares. **Page 7 and Lex**

● **BOWATER CORPORATION** is believed to be considering the sale of most of the financial operations of its subsidiary, Ralli International. **Back Page**

China signs £80m. Rolls-Royce jet engine deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Rolls-Royce (1971) has won a contract worth £80m. for the initial supply of Spey jet engines to China and the eventual manufacture of that engine under licence there. The number of engines has not been disclosed but it is believed to be about 50.

Together with contracts to sub-contractors involved in setting up the engine production facilities, the total value of the deal to Britain may exceed £100m.

The deal, which has been the subject of tough negotiations over the past two years, was signed in Peking on Saturday by Sir Kenneth Keith, chairman of Rolls-Royce (1971), and Mr. Tsui Chun, managing director of the China National Technical Import Corporation.

The Government has approved the deal. It will receive part of the money flowing from the contract, because it is entitled to royalties on all Spey engines sold as a result of the launching aid it gave in the late 1950s and early 1960s.

Most of the cash returning to Britain from the deal will be spread over several years—at least until 1980—in the form of royalty payments for the Spey licence and for help in setting up the Chinese production facilities.

The engine involved is understood to be the complete Spey, with afterburner, which means that it will be capable of use in either civil or military aircraft.

The Chinese have not said precisely what they intend to do with it, but it is widely believed that they are developing a military airframe of their own into which they will eventually put their own Speys made under licence.

Because of the comparatively small volume of engines which will be sold to China, the deal will not create any additional employment in Rolls-Royce, although it will serve to create more work for the existing labour force. The main plants, apart from Derby, are in Nottingham, Leicester and Scotland.

However, the money which will flow in will be invaluable to Rolls-Royce in boosting its working capital over the next few years and in helping the company to pay for other new engine developments which it has in mind.

U.S. deal

These include the prospective deal with Pratt and Whitney of the United States, on a new civil engine for the next generation of medium-range civil airliners. This is expected to be signed some time around the turn of the year.

The Spey engine itself was first launched in 1959 as the engine for the Hawker Siddeley Trident airliners. Since then, more than 4,200 have been sold around the world, worth well over £600m., for over 500 civil aircraft of various types, including Tridents (which China has already ordered in quantity), British Aircraft Corporation One-Elevens, Fokker F-28 and Grumman Gulfstream II airliners, all of which are still in production.

On the military side, the Spey is currently used in the RAF's Phantom and Buccaneer fighters and Nimrod Maritime Reconnaissance aircraft, and in the United States Air Force's Corsair II fighter.

The Rolls-Royce view of the China deal is that it will create the possibility of substantial further orders for U.K. engines and equipment in the years ahead. The Chinese, for example, are also showing considerable interest in the RB-211, engine, especially for ground-based industrial uses.

The aim is to deliver to China the first Derby-built Speys in about two years from now, with China turning out its first home-produced engines before the end of the decade.

Accompanying Sir Kenneth Keith in Peking over the past week-end were Sir Stanley Hooker, technical director of Rolls-Royce, who is also an honorary professor at Peking University, Mr. Denis Head, managing director of the Rolls-Royce Derby engine division, and Mr. Don Pepper, a Rolls-Royce main Board director.

Sir Kenneth chartered a VC-10 jet from British Airways to go to Peking, taking in large quantities of technical documents and bringing out the large Rolls-Royce negotiating team that has been in the Chinese capital for many months past.

From now on, there is expected to be a constant traffic between the U.K. and China as the work involved in setting up the Chinese Spey manufacturing facilities gets under way.

Goldsmith sees Haw Par chief in Singapore to-day

BY MARGARET REID SINGAPORE, Dec. 15.

MR. JIMMY Goldsmith, new chairman of Slater Walker Securities, begins negotiations here to-day on his company's controversial £14½m. loan to Haw Par Brothers International. Resolution of this issue, in which the Singapore Government is keenly interested, is crucial to the future of both companies.

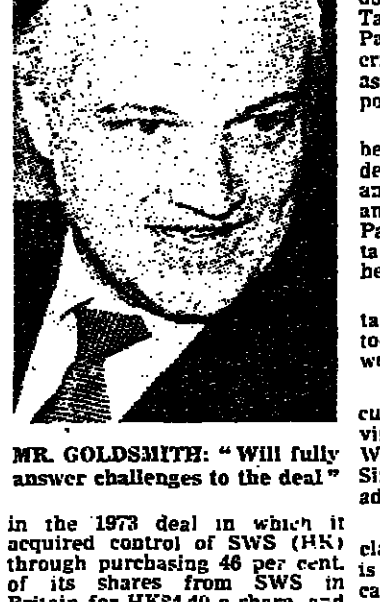
Mr. Goldsmith will meet to-day Mr. Michael Fam, new chairman of the revamped Haw Par Board. Last night he said: "I'm here to have talks. I'm sure that two reconstructed Boards, neither of which was linked to the past, can see the thing in proper commercial perspective."

Lord Goodman, the eminent lawyer and reconciler of disputes, is ready to fly here to advise Mr. Goldsmith if the negotiations require it. Lord Goodman has been adviser to SWS since Mr. Goldsmith took over in October from Mr. Jim Slater, who resigned partly over "adverse publicity" concerning Haw Par, which SWS formerly controlled.

Scrutiny by his legal and accounting experts has convinced Mr. Goldsmith that criticisms of the 1973 purchase by Haw Par of Slater Walker Securities (Hong Kong)—to which the disputed loan was closely related—are unjustified. This is despite the fact that Haw Par, which is in a tight liquidity position and, it is thought, the Singapore Government, consider there are circumstances which should lead to the loan being much reduced.

Mr. Goldsmith, so far from accepting such arguments and waiving some one-third of the loan (as it appears the previous SWS Board seriously considered) feels he has a strong case for pressing for something near full repayment.

At the end of last week, a hard-hitting report by the Singapore Stock Exchange suggested that Haw Par had paid too much



MR. GOLDSMITH: "Will fully answer challenges to the deal"

in the 1973 deal in which it acquired control of SWS (HK) through purchasing 46 per cent. of its shares from SWS in Britain for HK$4.40 a share, and bidding for a 30 per cent. public holding. It was in connection with this transaction that the £14½m. loan was advanced by SWS to Haw Par.

The Stock Exchange claims that Haw Par, in which SWS then held a large stake, failed to disclose material information affecting profitability and assets when it took over SWS (HK) and another company, Motor and General Underwriters Investment Holdings.

Figures it cites could be held to imply that Haw Par paid something like £12m. too much in the deal, which valued the whole of SWS (HK) at more than £30m. The report also quotes a document in which Mr. Richard Tarling, then chairman of Haw Par, and an SWS director, described the deal over SWS (HK) as "ludicrous from the Haw Par point of view."

However, Mr. Goldsmith believes, on the strength of a detailed examination by lawyers and accountants, that he can fully answer challenges to the Haw Par-SWS (HK) deal. The present talks are likely to keep him here for a week.

As a preliminary, fact-finding talks, in which Lord Goodman took part, were held for some weeks in London

The last stage of these discussions came during the recent visit to London of Mr. Harry Wee, who is chairman of the Singapore Bar Council, as adviser to Haw Par.

Meanwhile, the SWS side is claiming that the £14½m. loan is now regarded as being on a call basis because of what are regarded as certain breaches of terms and conditions of the loan agreement. Under the original agreement, part of the loan was due for repayment in January.

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Wool textile aid scheme ending with full £15m. taken up

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE WOOL TEXTILE aid scheme, the first under the Industry Act, 1972, to help modernise sectors of the economy will close for applications at the end of this month, with the entire £15m. set aside by the Government to encourage investment and rationalisation certain to be taken up.

The scheme has been running for two-and-a-half years. In June this year it was announced similar schemes would be made available to three other industries, clothing, foundries and machine-tools, all of which face similar problems of streamlining capacity and re-equipping.

With the level of grants running at about 20 per cent. of the cost of projects the wool textile industry will spend possibly £55m.-£60m. of its own money. Total investment in the industry, which employs 60,000 people and exports a third of its production, will be over £70m.

The Wool Textile Economic Development Committee, which formulated the scheme and has monitored its progress, is expected to consider how to continue support for the industry. The committee which heard a report on the working of the scheme at a meeting last week, will begin consultations with interested parties. These may lead to proposals for a Mark II scheme.

This might suggest retaining, possibly in modified form, some of the features of the original scheme, which covers re-equipment, rebuilding, mergers, and compensation for companies wishing to leave the industry.

The scheme's success in attracting sufficient applications to cover the entire £15m., and *possibly a small extra amount*, has saved the Government from having to extend its life, as seemed probable only a month ago. At the beginning of November the Department of Industry, which administers the scheme, had paid out or was due to pay out about £11m., leaving £4m. unspent.

With applications due in by December 31 there has been a surge of interest from companies anxious not to miss the last opportunity to benefit. Projects under the scheme must be completed by the end of December 1977.

Death of MP ends Labour's majority

By Richard Evans, Lobby Correspondent

The death yesterday of Mr. Maurice Edelman, Labour MP for Coventry North-West, means that the Government's slender overall Commons majority of one has been wiped out and Labour will face an awkward by-election in the industrial Midlands early next year.

In addition, there are reports that Sir Alfred Broughton, 73-year-old Labour MP for Batley and Morley, plans to resign because of ill-health. But because of the Government's precarious Parliamentary position, attempts are being made to persuade him to stay on until the next General Election.

Mr. Edelman, who was 64, had a majority of 7,488 at the last election.

Mr. Edelman became ill after returning recently from a visit to India and was admitted to the Nuffield Clinic in London.

He had a relapse on Saturday night and was transferred to the Brompton Hospital where he died at 3 a.m. yesterday. Mr. Edelman was married and had two daughters.

Another by-election loss would plunge Labour back into minority government although defeats on major debates in the Commons would be unlikely because of the difficulty faced by the many minority parties of all combining on one issue.

Much more dangerous for Government whips would be *the effect on the manning of* Standing Committees which consider the detailed aspects of Bills. Government majorities on committees depend on its overall majority in the Commons, and it would prove extremely difficult to get controversial legislation through unscathed.

At present, Labour has a theoretical majority of one over all other parties but the support of Mr. John Stonehouse, MP for Walsall North, is unreliable on some issues, and Mr. John Ryman, MP for Blyth, has been given "leave of absence" *by* Government whips while he faces court charges of over-spending on election expenses.

A further shock for Government whips came at the week-end with the news that Mr. Jim Sillars, MP for Central Ayrshire, is to resign from the party's Scottish executive and leave the Scottish Labour group at Westminster because of the Government's proposals on devolution.

But Mr. Sillars has at present no plans for giving up the Labour whip in the Commons.

Landslide win in Australia

Fraser aims for major policy changes

BY KENNETH RANDALL CANBERRA, Dec. 14.

MR. MALCOLM FRASER, Australia's new Prime Minister, began discussions to-day on the shape of his Government following yesterday's crushing election victory. But it may be a week or more before Ministers are sworn in.

Major policy changes are in the offing, but Mr. Fraser has indicated he will be proceeding cautiously and few major initiatives are expected before the New Year. The Prime Minister conferred to-day with Mr. Douglas Anthony, the leader of the National Country Party, who will be Deputy Prime Minister, on the sharing of portfolios and there will be more talks in Canberra to-morrow.

The scale of the Labor Party's defeat presents it with agonising problems, starting with the leadership. Mr. Gough Whitlam, the former Prime Minister, *remains non-committal about his* intentions but there are moves to bring Mr. Bob Hawke, the dynamic national president of the party, into Parliament at the earliest opportunity.

Mr. Hawke, who is also president of the Australian Council of Trade Unions, conferred with Mr. Whitlam to-day and, in a statement later, they said: "Each of us is ready to serve in any capacity which the Labor Party chooses . . . we are determined to keep faith with those millions of Australians who have supported us and still place their hopes in the future of Labor."

A *majority of the Labor* Party's most promising younger members lost their seats at yesterday's elections, with an average nationwide swing to the Liberal and National Country Parties of close to 7 per cent. In some seats the swing was as high as 12 per cent.

Record

Mr. Fraser's Government will have a record majority in the House of Representatives and will be the first in more than 20 years to have a clear majority in the Senate as well.

Labor has lost 33 seats at the present stage of counting, with five more in danger. The Liberal-NCP coalition suffered no losses and has no seats at risk in the last stages of counting.

Numbers in the new House of Representatives are likely to be 90-37.

In the Senate, the Government will be assured of at least 35 of the 64 seats. Four Ministers of the former Labor Government have lost their seats and three more are quite likely to do so.

Mr. Whitlam said to-day: "The disproportionate loss of seats

Mr. Gough Whitlam: Doubts on the future

compared with votes has been partly due to electoral boundaries which have remained unaltered for seven years. Our nation-wide vote is a secure base on which to work for victory at the next election."

Labor is likely to finish with about 42 per cent. of the vote and the coalition parties with about 52 per cent.

Mr. Fraser to-day promised that his Government would preserve reforms introduced by Labor "which enhance the lives of Australians." He said: "We will act with compassion and concern for those who are disadvantaged, whose birth or experience denied them equal opportunity."

The size of the Liberal-NCP victory, especially the likely Senate result, appears to have defused for the time being the constitutional issues which caused such extreme bitterness in the election campaign and the events leading up to it.

Major trade union leaders to-day were prepared to be conciliatory towards the new Government and the Parliamentary Labor Party has been denied any opportunity to precipitate yet another premature election.

The results have also greatly increased the relative strength of the Liberal Party within the non-Labor coalition, making it harder for the NCP to press claims for a stronger voice in the Government.

They are likely to have five or six portfolios in a Ministry of about 27 with either three or

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Fraser's investment strategy Page 5

FEATURES

ON OTHER PAGES

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LOMBARD

Next re-run of the EEC debate

BY C. GORDON TETHER

THE UNVEILING of the plan to inaugurate direct elections to the European Parliament in mid-1978 generated very little excitement in this country — presumably because the members of the EEC have been so much at sixes and sevens during the six months since Britain voted to stay in that few people are taking its unification plans very seriously any more.

Yet there can be little doubt that this could pose a greater threat to the survival of Britain's sovereignty than any integration moves we have seen up till now. And it is one that may well be compounded by the fact that the idea has such a democratic ring about it that those wanting to awaken the British people to this reality are likely to experience more than a little difficulty in getting their message across.

The present European Assembly is, of course, little more than a glorified talking shop. It can, if it wishes, make loud noises and hope that the centres of real power represented by the Commission and the Council of Ministers will pay heed to them. But it cannot, in the last resort, insist that what it says goes except in respect of the spending of a tiny portion of the Community's budgetary receipts.

Very different

It can be taken for granted that it is going to be a very different matter when its members are no longer merely representatives of the parties composing EEC members' national parliaments but men and women who have been expressly given the task of representing the public at large in the counsels of the Community through direct elections.

As Mr. Enoch Powell has repeatedly pointed out, such a democratically constituted Parliament is hardly likely to be content to function as a toothless dragon. And that presumably means that it will lose no time in creating a European Government to run the EEC show under its supervision.

There should be no difficulty in seeing that it will be much more difficult to prevent Britain's sovereignty being eroded by decisions taken on the other side of the Channel when this system starts to operate than it will be while the Commission and the Council of Ministers remains the main seat of EEC power. And, as the "oil seat" debacle showed, it is not so easy to beat off such threats even now as pro-Marketeers asserted it would be during the referendum campaign.

As things stand, the Government can always fall back on the veto to oppose major departures in Community policy which it does not approve of or which seem destined to meet with the severe disapproval of the public at home. But the participation of the British electorate in an EEC Parliament could be held to imply its acceptance of a commitment to abide by the democratically reached decisions of that Parliament.

More specifically, it could put this country under a considerable obligation to go along with steps to promote European integration which the Parliament approved of as being in the general interest—whatever the implications for Britain's own sovereignty.

An antidote

It is, of course, conceivable that forces making for fragmentation of EEC countries of the kind that have surfaced in the Welsh and Scottish devolution campaigns will be acting as an increasingly powerful deterrent to the European integration vision from now on—and they are certainly not confined to the U.K. In which case, the advent of the European Parliament may pose no additional threat to British sovereignty—not, at least, in the earlier stages.

But it is obviously desirable that the British people should be alerted to the deeper potential significance of its involvement in direct elections to the EEC Parliament before it takes the plunge.

It is safe to deduce from past experience that the pro-Marketeers will not be going out of their way to see that this is done. The task will, therefore, have to be undertaken wholly by those who continue to take the view that the less Britain is caught up in Euopean unification the better. And they, as I said at the start, are not going to find the going easy.

For since the idea of direct elections will be presented to the public as a means of making the EEC a more democratic affair, its opponents will be apt to find themselves being portrayed as the enemies of progress. It also has to be remembered that many Britons clearly take a very poor view of the recent performance of the Westminster politicians.

In short, what looks like being the next major re-run of the EEC debate will present anti-Marketeers with a daunting problem.

WEEK IN THE COURTS

Appeal Court casts doubt on overseas tax liability

BY JUSTINIAN

ALMOST EVERYONE concerned with the law and lore of tax avoidance is able to recite the sinister words of Lord Greene in *Lord Howard de Walden v. CIR**: "It scarcely lies in the mouth of the taxpayer who plays with fire to complain of burnt fingers." Some will also recall that Lord Greene prefaced his remarks, in the course of construing the relevent section in the income-tax legislation, by saying it was "intended to be an effective deterrent which will put a stop to practices which the legislature considers against the public interest."

In *Lord Chetwode v CIR*† last week, the Court of Appeal surprised the legal and accountancy professions with a unanimous decision which casts doubt on Lord Greene's reasoning and in one respect at least actually seems to encourage practices which Parliament had tried to stop. The relevant section in the Act contains, unusually, a preamble explaining the legislature's avowed purpose, namely to prevent individuals resident in the U.K. from avoiding liability to income-tax by transferring assets whereby "income becomes payable to" persons resident or domiciled outside the U.K. This legislative device could be more frequently deployed, instead of leaving the courts to infer the purpose from the operative statutory provisions.

How did Lord Chetwode persuade the Court of Appeal that his transfer of income abroad was not caught by legislation designed explicitly to stop a practice which Parliament considered against the public interest? An illustration will make the point at issue clearer.

Scenario

A wealthy but reluctant taxpayer inherits a portfolio of £167,000 worth of foreign stocks and shares; he incurs annual expenses of £1000 in servicing them. Assume that the £1,000 includes the cost of maintaining an office with a safe in it, and the employment of a part-time secretary to study the *Financial Times* and other periodicals to make the taxpayer's stockbroker active in rearranging the portfolio. The taxpayer is, of course, taxed on the dividend income by deduction and cannot set-off any of the £1,000 against it. All the Inspector of Taxes will allow him is what the collecting bank charges him for converting the various foreign currencies into sterling—say a trivial £20 per annum.

The taxpayer, having read the Court of Appeal's judgment in Lord Chetwode's case, now takes the following steps: (1) he settles the foreign stocks on foreign trustees for himself for life, with a power to revoke the settlement at any time; (2) he persuades those trustees to transfer the stocks and shares to a foreign investment company, in exchange for shares; (3) he persuades various friends to do likewise, and they all then (4) persuade their several investment companies to set up a little joint office, complete with safe and secretary and the *Financial Times* and other periodicals with stock market information, the expense of each company being, for argument's sake, £1,000.

What is the result of this exercise? Although tax will not be avoided by the taxpayer and his friends on the corpus of the investment income of each as such, each nevertheless will, according to Lord Chetwode's case, now be entitled to deduct the £1,000 a year which it was previously not legitimate to deduct. Furthermore, in deciding the deductibility of such expenses, *local foreign law* must be applied. One need hardly express surprise if one or two of those tax-haven islands' legislatures did not shortly enact brief and beneficial statutes, making, for example, the certificate of a local official conclusive as to what was deductible. Does this sound too good to be true? Yes, and it is. But how did the Court of Appeal arrive at such an astonishing decision?

Preventive

The section under scrutiny reads as follows (shorn of complications): "For the purpose of preventing the avoiding by individuals of liability to income tax by means of transfers of assets, in consequence whereof *income becomes payable to* [foreign individuals or companies], where such an individual has, in consequence of any such transfer, power to enjoy whether forthwith or in the future, *any income of* [a foreign individual or company] which, if it were *income of* that individual received by him in the U.K., would be chargeable to income tax by deduction or otherwise, *that income* shall be deemed to be *income of* that individual."

The word "income" appears five times. The dispute turns on what it means on the second of those appearances. The Special Commissioners and Mr. Justice Megarry held that in the context of investment income, in the shape of dividends, accruing to a foreign person (whether an individual or a company), "*any income of*" meant "those dividends," so that what the section deemed the individual's were "those dividends" full stop. Mr. Justice Megarry *helpfully* called this view of the meaning "gross income"; and, in preferring it, he thought it more compatible with the phrase "income becomes payable to" than the contrary view, which he called "net income" — viz, gross income *less*, in the case of an investment company, management expenses.

What then did Parliament mean by the phrase "power to enjoy"? An individual is deemed "to have power to enjoy *income of* [a foreign individual or company] if the *income* is in fact so dealt with as to be calculated to enure for [his] benefit, or the receipt or accrual of the *income* operates to increase the value of any assets held . . . for his benefit, or he has power, by means of the exercise of any . . . power of revocation, to obtain the beneficial enjoyment of the *income*, or he is able in any manner whatsoever to control the application of the *income*."

Expenditure

Sir John Pennycuick delivered the leading judgment in the Court of Appeal. He thought that "the income of" an investment company ought to be construed as the excess of its receipts over its outgoings—in short, its profit after deducting proper management expenses.

The facts in *Lord Chetwode's Case* have been virtually anticipated. He settled £167,000 on Bahamian Trustees who invested it in shares of and on loan to a Bahamian investment company, which claimed to incur expenses of about £1,000 per annum, including "Investment Advisory Fee, Management Fee, Safekeeping charges, Security handling fees and bank charges, Registered office and executive office fees." He admitted he had "power to enjoy" within the meaning of the section: and the settlement not only installed him as life-tenant but also gave him power to revoke at any time.

Now comes the sting of the decision. How did one compute the income of the Bahamian investment company? "By Bahamian Law" came Sir John's answer. The corollary is that any future transferors of income abroad have the ball at their own feet and can shoot it into whichever tax goal offers the most attractive advantages. One can almost overhear tax advisers meditating the rival claims of the Cayman Islands and Nassau, coupled with speculating how quickly the rival territory's legislature can rush through the provision now being drafted by a tax consultant.

*[1942] 1K.B. 389,397

†*The Times, December 13, 1975.*

SOCCER — BY TREVOR BAILEY

Deserved win for Ipswich in civilised atmosphere

ONE OF the happiest aspects of a visit to Ipswich is simply walking to the match with a crown who have come to watch football, and the not active participants in some primeval tribal war. There is always a large number of Dads, accompanied by small sons and carrying little stools.

Sadly, there are not many other First Division grounds where I would willingly take a five-year-old on to the terraces. Inside the behaviour was also civilised, apart from the Leeds supporters' juvenile "excreta" chorus, which might have been termed self-descriptive.

Ipswich, at present trying to find the flair that made them appear so promising in the last two seasons, deserved their 2-1 win over Leeds who, unchanged for the last six games, have become serious championship contenders. It was fast, fierce and often over-physical—there were too many fouls and consequently insufficient flow, and too many passes went astray. This feature was not clear from the televised version.

Although Leeds were classier and more imaginative in midfield and up front, their two centre-backs, Madeley and Cherry, were neither certain nor commanding enough in the air to subdue Johnson and Whymark. This weakness finally led to their downfall.

Attacks

In the 69th minute a left-wing centre was not cleared, and Lambert was on hand to score. Shortly afterwards Whymark rose high, to nod back another left-wing cross to Peddelty, who scored with spectacular drive.

Leeds immediately launched a series of attacks in a desperate effort to save the game, and were rewarded with a goal by the ev lively McKenzie, although Clar lying on the goal line, lool suspiciously like offside; but Ipswich defence, in which Hun and Beattie were outstandi held out until the final whis

If Leeds had applied the sa urgency and pressure earli instead of thinking in terms a draw, they might well h won, even though there was disguising their vulnerabil against the high ball into middle. It would not surpr me if Hunter was reinstated n week, although they sor missed the injured McQueen.

At left-back for Ipswi Beattie produced a majestic p formance in both defence a attack, looking in all respects world-class player. Mills, d pite his heart and enthusias does not appear to be cut out a mid-field role. On the oth hand, Talbot gase a most i pressive performance as a ha

Wimbledon fall to Brentford in game with too much kick

BY KEVIN RAFFERTY

AS LONG as one giant-killer manages to survive, the FA Cup will retain its freshness and excitement. On Saturday in the second round, there was Scarborough Town, which conquered the once-proud Preston North End 3—2.

But, for the one team of heroes, there were several other might-have-been aspirants which, on the day, were not quite up to the task. Marine, the Cheshire non-leaguers, managed a draw with Hartlepool, and Gateshead also did with Rochdale.

Non-league clubs Bishop's Stortford, Spennymoor, Wycombe, Coventry Sporting, Wigan Athletic, Dover and Stafford were all slain by the giants of the third or fourth division.

So too was Wimbledon, star of last year's Cup with a win at Burnley and a draw at Leeds. The Wimbledon side was scuffled out 2—0 by Fourth Division Brentford, in a game which had too much kick and rush about it.

In many ways, it was refreshing to go along to Plough Lane to see if Wimbledon could repeat last year's triumphs. There was an air of civilisation about the ground which is often all too lacking at league grounds.

The ticket-collector at the station let a boy through who could not produce his ticket; the boy came breathlessly back two minutes later to say he had found it after rummaging deep in another pocket, and held it out for punching.

On the way to the ground, shopkeepers came out to pass the time of the day and chat to the fans instead of scurrying behind shuttered windows as often happens elsewhere.

Inside the ground, the friendliness continued with the announcer giving a "special hello" to groups of schoolchildren supporters.

Energetic

Some Brentford supporters did start up that all-pervasive mindless war-cry "We hate Nottingham Forest, we hate . . ." but they were drowned in the good-natured hubbub of "How are you? and how is Auntie Bertha?" and "Can we do it again this year?"

They could not, and the football did not live up to its promise. Wimbledon had much more of the play. Their players had energy and were prepared to run hard.

But there was too little ability and practically no one prepared to stop or slow down the game, or think and create some different and unexpected move.

For all the friendliness and sporting spirit of their supporters, on the field Wimbled were just as niggling and me as many a professional tea quite happy to give a nudge he and there or indulge in a spot argy-bargy to make sure of t ball.

But that was a game whi Brentford knew well, to The referee, Mr. D. R. G. Ni pard, was not much help eithe being all whistle and waffle wh he should have been playing t advantage.

In the end, Brentford w because they had greater profe sionalism and precision. Again the run of the play, Cross ar Johnson played a quick scisso for the latter to score. Te minutes later, Sweetzer w sandwiched and tripped in t area and Johnson scored fro the penalty.

Wimbledon had far mor chances but agonised over the as if pondering which was th best part of the foot to hit th ball with or where to place i when a sharper player woul have been receiving the kisse of his colleagues and the oppo ing goalkeeper picking the ba from the net.

To crown a bad day, Mr. Alle Batsford, the Wimbledo manager, had his name take by the referee for gesticulatin at a linesman after a throw-i decision (a wrong one) by th referee.

RUGBY UNION — BY PETER ROBBINS

England baffle the selectors

ENGLAND'S second regional match against the South at Gloucester left me in a state of anger at the pitifully low standard, despair for the future and sympathy for the selectors who have to unravel the tangle. I can hardly recall a match in which skill, technique and enthusiasm were at such a premium.

Basic skills were simply ignored and with the match against Australia only three weeks away, Peter Colston has an alarmingly difficult task, starting with the restoration of some semblance of confidence. There really was no one on the field who could either control or shape the destiny of the game. It was a most depressing experience.

England eventually won 11-3 with Cooper dropping a goal and making a try for Maxwell against a drop goal by Bennett in the first half. In the closing moment, Duckham scored England's other try.

Richards the South full-back left the field just on half-time with Old coming on. Neither did sufficient to boost Hignell. Hignell took some fierce stick from the crowd because of Butler's absence and although he missed four penalties his dependable tackling and running ability should secure him the place.

Squires and Duckham were both again treated like lepers although Squires managed some enthusiastic running off the ball. Plummer hardly saw the ball but Wyatt managed to show some clever defence and quick thinking. Squires and Duckham seemed the obvious choices but in the centre Maxwell dropped several passes and Kent's preoccupation was in defence. French could well come back into the reckoning.

England's perennial problem at half-back is still there. Happily Cooper, now accustomed to his position, looks the part of fly-half and at least took the game to the opposition as well as kicking accurately. Bennett also kicked well but rather cramped his three-quarter movements by running crabwise across the field.

Over-burdened

Unfortunately, it was Harding the scrum-half who unhinged the South's performance. With his scrum wheeling he was unable to get the ball away quickly. Smith was a little better and lengthier but the real competitor is Webster who surely must come in.

Uttley withdrew from the game and Dixon was promoted and proved to be the outstanding forward of those on view. Uttley is probably the only certainty in the pack although Keyworth was impressive with his direct running.

Neary seems overburdened by captaincy but his support was vital on occasions. His dash is essential, but who plays alongside him? Ripley did well at the back of the line-outs and improved his distribution at the tackle. His game is essentially dramatic, effective in bursts and at times winning. The answer may be to move Uttley back to the second row to partner either Horton or Ralston neither whom played on Saturday f differing reasons. This woul leave room for Keyworth Rollitt who must have been gl to miss this hotch-potch. Morde and Hendy were certainly n indolent, merely victims circumstance.

Curiously the selectors of bo teams omitted Ralston and the seems an idea abroad that he not fit. Confirmation of th would have been possible Saturday against Wilkinson a Beaumont who, for all the qualities, are really not t answer. Beaumont is a treme dous worker in the mauls, mob in the loose, but ineffectual a jumper. Wilkinson can ju extremely well and, like Bea mont, is highly mobile, but b of them lack something in t hand-to-hand stuff that a seco row has to show.

Cotton was absent and w Burton's promotion Adam ca in as tight head to give Nelm a comfortable time, as Burton Bailward. Nelmes, t gets around the field and t is excellent, but it is a bonus the prop's prime role. C gathers that the selectors restricting themselves to players' club positions. Howev it would be very difficult to le out Cotton and Burton.

I expect the selectors to pe vere with Wheeler as opposed Pullin. Pullin threw in ra inaccurately, but neverthel ran Wheeler close in the h ing. He has been a gr example and servant to Engla if only others had half his d cation and application.

RACING — BY DARE WIGAN

Chance of double for Josh Giffor

JOSH Gifford has a couple of promising jumpers in *Weather Chart* and *Royal Exchange*, and I expect them to land the two divisions of the Christmas Tree Novices' Chase at Leicester this afternoon. Royal Exchange appears to have the easier chance of the two in Division II (2.30) for none of his opponents have any worthwhile form to their credit. He is a confident selection.

In Division I (1.30) Weather Chart is opposed by, among others, Wily Talke, a winner, and runner-up to Honest Lawyer in a Bernie Inns "Qualifier" at Market Rasen before falling when hot favourite at Catterick nine days ago, but that form does not measure up to Weather Chart's second to Ghost Writer at Kempton last month, followed by his defeat of Dunkery Beacon at Windsor.

The partnership of Lord Vestey, as owner, H. Nicholson, trainer, and Jeff King, jockey, who landed the valuable SGB Chase at Ascot on Saturday with What a Buck, looks like repeating the process with *Yanworth* in the Holly Handicap Chase (2.00). This gelding by Arctic Slave, though well beaten by Eye Catcher and Thankyouverymuch at Wincanton at the end of last month, is likely to profit from the absence of High Ken and Clonmellon.

12.30—Summer Serenade
1.00—Tommy Joe
1.30—Weather Chart**
2.00—Yanworth*
2.30—Royal Exchange***
3.00—Simon's Pet

Tommy Joe has travelled from Ireland for the Ivy Hand Hurdle (1.00) and may pro the answer to what promise be a competitive contest. came over to Doncaster last month and made the jour worthwhile by winning Town Field Handicap Hurdl the expense of Tucker's Boy was backed as though de were a remote continge Single Spur, a convincing wi at Cheltenham ten days ag an obvious source of dange

W. Brennan, who tr Tommy Joe, saddles Buck Off for the Mistletoe Hu (3.00), and this one is sur go well. Even so, I doubt coping with *Simon's Pet*, stays well and who was by means disgraced when d heating with Sunyboy for t place behind Super Nova Master Spy at Lingfield the o day.

TV/Radio

BBC 1

† Indicates programmes in black and white

12.20 p.m. Anno Domini. 12.55 News. 1.00 Pebble Mill. 1.45 Mr. Benn. 3.43 Fanny Cradock Cooks for Christmas. 3.58 Regional News (except London). 4.00 Play School. 4.25 Astronut. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Inch High Private Eye. 5.40 Magic Roundabout.

5.45 News
6.00 Nationwide
6.55 The Wonderful World of Disney
7.40 The Goodies
8.10 Panorama
9.00 News
9.25 The Monday Film: "John and Mary" starring Dustin Hoffman and Mia Farrow
10.55 To-night
11.30-11.33 Weather / Regional News

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 6.00-6.55 Wales To-day. 6.55-7.10 Cartoons. 7.10-7.35 Heddiw. 7.35-8.10 To-morrow's Brazil. 9.25-10.35 *The Superstars*. *10.35-11.05 Kane on Monday*. 11.05-11.40 Gerald the Welshman. 11.40 News and Weather for Wales.

Scotland—6.00-6.55 Reporting Scotland. 10.55-11.40 Public Account. 11.40 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. 7.40-8.10 Talking Heads. 11.30 Northern Ireland News Headlines.

England—6.00-6.55 Look North (from Leeds, Manchester, Newcastle). Midlands To-day (from Birmingham). Look East (from Norwich). Points West (from Bristol). South To-day (from Southampton). Spotlight South West (from Plymouth).

BBC 2

11.00 a.m. Play School

3.00 p.m. On the National Health
3.30 Representing the community
7.29 Weather
7.30 Newsday
8.10 The Waltons
9.00 North and South
9.50 Chronicle—New York to the Etruscan hills
10.40 The Royal Ballet in Elgar's "Enigma Variations," choreography by Sir Frederick Ashton, filmed on the stage of the Royal Opera House, Covent Garden
11.15 Newsnight
11.50-11.35 Closedown. William Lucas read "The Advice by Sir Walter Ralegh

LONDON

10.00 a.m. Felix the Cat. †10.15 Shirley Temple in "Little Colonel." 11.30 The Ship that Torpedoed Itself. 12.00 Noddy. 12.10 p.m. Hickory House. 12.30 The Amazing World of Kreskin. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 "Footsteps" starring Richard Creena. 3.55 General Hospital. 4.25 Clapperboard. 4.50 Rogue's Rock. 5.20 Man About the House

5.50 News from ITN
6.00 To-day
6.40 Opportunity Knocks
7.30 Coronation Street
8.00 World in Action
9.00 The Defector
10.00 News
10.30 Late Night Movie: "The Night Strangler"
12.10 a.m. The Great Celestial Soap Opera: Malcolm Muggeridge talks to students from the Sussex University about moral and political challenges

All ITV Regions as London except at the following times:—

ATV MIDLANDS

10.35 a.m. Planting For Pleasure. 11.00 Woodbinda. 11.25 Cartoon—MGM. 11.35 Funky Phantom. 12.30 p.m. Out of Town. 1.20 ATV Newsdesk. †2.30 Feature film: "Black Orchid," starring Sophia Loren ...

SCOTTISH

11.00 a.m. Seville Symphony. 12.30 p.m. The Yellow House. 1.25 Road and Weather Report. 2.00 Housecall. 2.38 *Monday Matinee*: "*Her Jungle Love*," starring Dorothy Lamour and Ray ...

BORDER

SOUTHERN

CHANNEL

TYNE TEES

GRAMPIAN

ULSTER

GRANADA

WESTWARD

HTV

YORKSHIRE

ANGLIA

RADIO 1

RADIO 2

RADIO 4

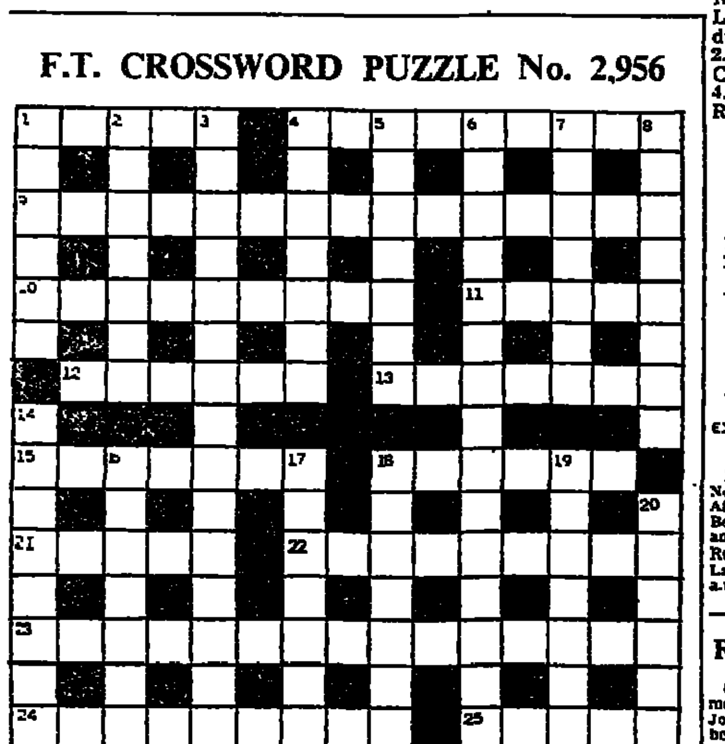
RADIO 3

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 2,956



ACROSS

1 Cook with the right kiln (5)
4 Provided with inhabitants wrongly put up to plead (9)
9 Retaliate and get even with (4, 4, 7)
10 Stretched a point in nervous strain (9)
11 Ingenuous one in part of church (5)
12 Decorated—like a ship? (6)
13 Protection of French receiver (7)
15 Gather to choose a target (4, 3)
18 Die of cold . . . (6)
21 . . . in the kidneys—in children alarming (5)
22 Pain reacting to each hot mixture? (9)
23 Deformed circle should appear before eastern socialist (5-10)
24 A little spread to flatter Irishman (6-3)
25 Sing broken melody without leader (5)

DOWN

1 Turn and go in sequence (6)
2 Sideways look of suspicion (7)
3 As far as one can see or tell (2, 4, 9)
4 Feign to make a claim (7)
5 For each one employed it could be read (7)
6 Eagerly anticipating a short existence (6, 3, 3, 3)
7 Electromotive force used for psychological strain? (7)
8 Intensified yet got down further (8)
14 Piece of pork not required to tease (5, 3)
16 Ask the advice of government agent before start of trial (7)
17 Recover and come to a stop (5, 2)
18 A thing made in mathematical quantity (7)
19 Got hold of dog in race (7)
20 Know boy brought up in Westmorland (6)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Waddington Galleries II

Patrick Caulfield

by WILLIAM PACKER

Patrick Caulfield has quietly, most secretly, developed over the last 10 years into one of the most interesting of our younger, or should I say younger middle-aged, artists. He enjoys no sub-celebrity, but then few of our artists ever do, and yet his reputation is international, his work widely shown and in all important collections. That this is so may surprise those who come upon his work for the first time.

His paintings indeed are extremely simple and straightforward, but there is the rub; for they are disconcertingly so, the paint flat and unmodulated, the colour crude and tasteless, the drawing effected by a thick and unvarying black line. And there is the imagery, taken from the tourist view, the suburban interior, banal still-life, cheap furniture and decoration. We are denied all suggestion of the artist's presence and participation: he remains safe behind the inexpressive and impassive mask he has chosen to wear.

Caulfield was, still is, a kind of Pop Artist, though the term is dangerously imprecise and misleading. It seemed more meaningful at the time he seized upon the manner and material that have since sustained him, a time when the basic prejudices that had determined attitudes and subject-matter for so long were being challenged. Why should the artist not be stimulated by advertising, by comics, by ephemera of all kinds? The question was legitimate, and, in attempting an answer, many artists uncovered for themselves rich lodes of ideas and insist that they are still mining them. But the world has changed since then, changing them with it. Things seem rather different now, less specific, more ambiguous and ramified. Nobody wants to be a Pop Artist today: it is too easy.

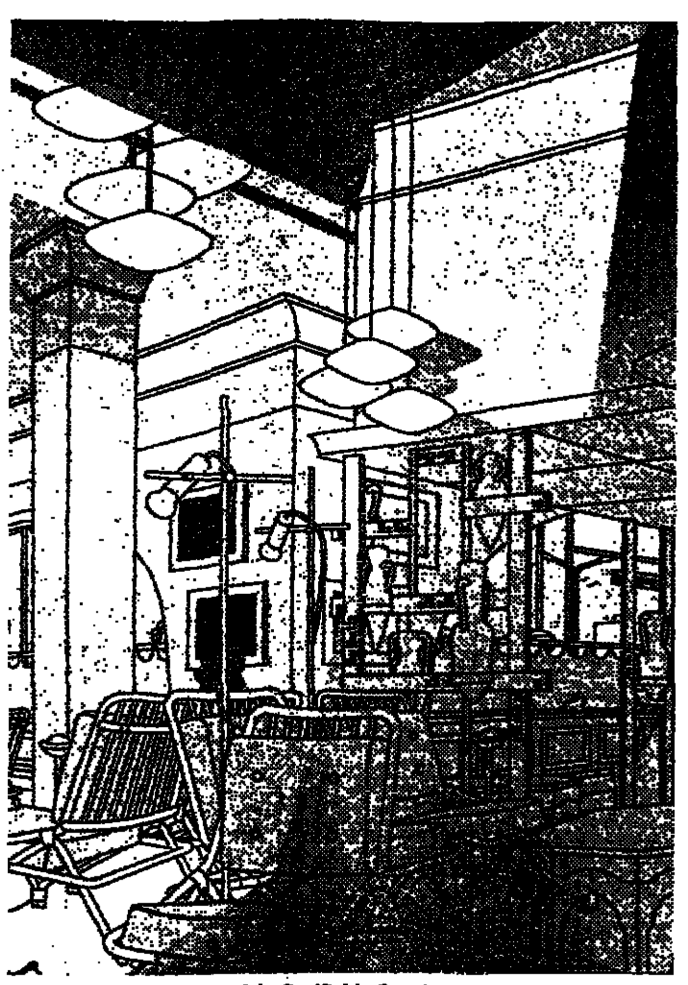
In Caulfield's case the attitude at first was consciously anti-art. The paintings were ironical and knowing, but depended essentially on content to make their point. They were about subject-matter, ideas illustrated in images; and in retrospect they often seem perfunctory and naive in their execution, and actually rather shallow.

Since then, however, the balance has shifted, the formal sophistication gaining by close imperceptible degrees, so that now the preoccupations are as much with space, colour and light as with art-history; and the painting itself, the handling of the physical material, is refined and elegant, closely controlled. These virtues need a little time and sympathy to make themselves apparent. Caulfield's subtlety is that of the triple or quadruple take; and the gentle vulgarity of his colour is certainly deceptive. Shocking pink, eau-de-nil, beige, are acquired tastes.

These latest paintings are large and ambitious works, attempting to describe space and the play of light in the simplest terms, through the judicious imposition of colour upon an essentially monochromatic statement. This he does partly by selectively filling-in the drawing, as with a child's colouring book, and partly by the broader and unifying application of a colour-field, at times as though it were hard-edge abstraction. And there are new developments in one or two of the paintings, new at least to those who know his work, where he has introduced more precisely descriptive passages, roses, lilies and tulips, or the photograph of the lake on the wall behind the fish-tank, a teasing comment on photo-realism.

But inevitably the nature of the subject-matter reasserts itself. All representation must take us beyond the work itself. Caulifield leads us wryly and calmly into his world of cafés and hotels, and tourist souvenirs, making us test responses, and by extension our attitudes. His work is full of surprises, not least that out of the banal and the tasteless may be conjured images that are all intriguing, and sometimes even beautiful. His work gives us much to think about.

It remains on show at Waddington until December 20.



Patrick Caulfield: Sun lounge

Elizabeth Hall

Nash Ensemble

The declared intention of last night's concert, uniting the Nash Ensemble and the New London Ballet, was "to draw musicians and dancers closer together . . so that the instrumentalists become part of the design of the ballet from its inception." Not wildly novel as an idea, and not one which has in my experience worked particularly happily in the past. Stravinsky wanted the musical forces on stage for *Les Noces*, and didn't get it, though the idea might have proved interesting; and Dali once tried to have a grand piano dropped into the middle of a ballet he was designing, and was mercifully over-ruled. But movement against the static presence of musicians often invites a certain dissipation of interest, or else relegates the instrumentalists to the status of scenery.

The Nash Ensemble began the programme with a fluent account of the Poulenc sextet, and then Marian St. Clair and Michael Beare danced André Prokovsky's decorous duet to the Fauré 'cello *Elégie*, which was played with silken tone by Christopher van Kampen. Here the dancers, moving across a somewhat slippery stage as if drawn by the music, made a touching effect, but the succeeding *Zany*, having its world première, dispelled the good will thus created. Daryl Runswick's score is for instrumental septet; its theme a Commédia dell'arte troupe improvising a drama. The dancers, in choreography by Patrick Wood and Richard Sikes, involve themselves in mysterious caperings, with the musicians dressed like some dire Pierrot band in an Edwardian postcard.

We know and admire Ronald Hynd's *Valses Nobles et Sentimentales* in the New London repertory. Its matching of shipboard romance with the score is happy, even in the Elizabeth Hall, and Galina Samsova's radiant presence gives the piece its heart. The real advantage in this performance, though, was the playing of the pianist Clifford Benson, as atmospheric and elegantly dramatic as Samsova's dancing.

The final *Commedia I* is set to Richard Rodney Bennett's clear-textured sextet, and finds Miss Samsova and four cavaliers each impersonating an instrument—the percussionist alone is not doubled by a dancer. André Prokovsky has made neat neo-classic choreography, and the clear relationship between the white-clad dancers and the musicians offers an intriguing visualisation of Bennett's taut instrumental drama. *Commedia I*, indeed, fulfils the Nash Ensemble's desire to bring dancers and musicians together, and is well worth while.

CLEMENT CRISP

Festival Hall

Spring Symphony

by RONALD CRICHTON

Britten's Spring Symphony was eclipsed in popularity by the War Requiem and then, unfairly, shared in the neglect that was an inevitable reaction to the later work's huge initial success. Now we are presumably far enough away for them to take their rightful place in the choral repertory. The outlay could still be a deterrent. Although it is less demanding than the Requiem, the Symphony calls for a boys' choir as well as a large chorus, and three experienced soloists. Most of the necessary factors were present in last night's lusty performance by the Royal Philharmonic Orchestra under Sir Charles Groves.

The heroes of the occasion were the London Symphony Chorus, trained by Arthur Oldham to produce the clean attack and bright open tone more often associated with choirs a good way north of the Thames valley. As an East Anglian exposed since childhood to cold winds, Britten was unlikely to romanticise spring, and for all the jug-juggery and tu-witta-wooing of the earlier poems in his anthology the painfulness of the year's rebirth is not shirked. The urgency of the introduction ("Shine out, fair sun") was positively disturbing—such a cruel picture of "black winter freezing to his seat" seemed libellous on a December day more beautiful and not so very much colder than what we normally have in April.

The chorus was equally stirring in "The Morning Star" at the end of the first part, where Britten at last allows his textures to warm right through with a brilliantly-placed unison passage. The Wandsworth School Boys' Choir made a merry shout of "Summer is icumen in" at the symphony's end: maybe some of their predecessors have tongued "Strawberries swimming in the cream" more nimbly, but that is the kind of passage where the past is likely to seem better than the present. The orchestra, brass especially (burping cowhorn included) was as lusty as the chorus but not always so crisp.

Of the soloists, Teresa Cahill was blithe and sunny, but no soprano will make or mar a performance of this work—doubtless because Britten did not write the part "on" a voice he knew, at least not on one he knew as well as Ferrier or Pears, the original contralto and tenor. Their successors last night were Barbara Robotham and Anthony Rolfe Johnson. Miss Robotham, standing in at short notice for Helen Watts, was musical but understandably over-discreet. She was not helped in "Out on the lawn" by too noisy intimations of war from the orchestra. Mr. Rolfe Johnson gave the Wandsworth boys a lesson in good articulation in "When will my May come"—he is good at projecting a voice still light for a large hall.

Dvorak had the first half to himself with a likeable performance of the *Scherzo capriccioso* that would have been wholly excellent with a little more polish, and the Violin Concerto. Every time it turns up one hopes to enjoy this and find it wrongly neglected but disappointment usually comes. It came again, in spite of a sturdy and rhythmically fiery reading from the young Czech violinist Vaclav Hudecek. He is a promising player, but his confident attack deserves more consistently unclouded tone and cleaner intonation. Groves and the RPO made the most of the beautifully ingenious scoring that is the concerto's strong point.

Purcell Room

Smalley's Accord

At a Park Lane Group recital on Saturday evening, Roger Smalley and Stephen Savage gave the first performance of Smalley's own new *Accord* for two pianists and two pianos. *Accord* is a big work, 45 minutes long, of five continuous sections each divided into two unequal parts. The structure is complex. The music is based on a single chord (a-chord, *Akkord*) containing all the eleven intervals possible within an octave, elaborated by the players, tossed back and forth in alternation and combination, and treated to all manner of textural and chromatic transformation, until finally the distinctions between the two instruments become blurred, and they reach true accord for the first time on a massive four-octave C sharp unison.

But the technical working need not, as Smalley says, concern the listener overmuch: more important by far, he feels—for composers who still choose to work through the medium of *composing*, a truism impossible to repeat too often—is the provision of "clearly defined, instantly recognisable structures which will create a momentum sufficient to carry the listener along with the progress of the musical argument." And *Accord*, more than any other of Smalley's works I have yet heard, does indeed achieve this traditional momentum splendidly well. It has real clarity and strength: its aspirations may be experimental, but its exuberance, virtuosity, and explicitly expressive manners—in the best sense, its very indulgence—owe much more to the grand-romantic keyboard traditions than to any impulse "experimental" or avant-garde.

The effect of *Accord*, as it strikes the ear first, is that of a dialogue in which single notes or themes predominate, each of which serves to provoke a new conversation, a new web of decoration and fantasy; a sequence of connected ideas, toyed with, minutely examined, thrown into constantly shifting harmonic relief. There are echoes in the music, never direct enough to be called imitation, but echoes all the same — of Messiaen, high birdsong melismas, soaring flights of trills, sudden plunges into the bass abyss; of Stockhausen's *Klavierstücke*, whose presence is never entirely absent from the movement, from the manner, from the still, unflinching regard of each section as it unfolds; and above all, strange as it may seem, of *Liszt*—at the biggest climaxes, real Lisztian hammer-blows, grand sonorous exchanges thrown off with more than half a wink to the gallery. In the quieter music, too; the final pages, as the conversation strains towards its C sharp unison, spoke to me indefinably but unmistakably of the slow movement of the Liszt sonata.

A good piece, beautifully laid out, adventurous in its choice of instrumental effects, that sustained a firm grip throughout its considerable length. For this reason alone—and for the new perspectives further hearings will undoubtedly bring—it deserves to be widely performed.

As well as Debussy's *En blanc et noir*, and Schubert's lovely set of Eight Variations in A flat D813, Smalley and Savage also included in their programme the first British performance of Berio's *Memory*—a ten-minute trifle written in 1974, whose soft, blurred texture (like unfocused Feldman), punctuated with little staccati and sforzandi dashes, seemed almost insistently unmemorable.

DOMINIC GILL

Collegiate Theatre

Giasone by ELIZABETH FORBES

Opera Viva Workshop's production of Cavalli's *Giasone*, was the first in Britain. Using the edition made by Marcello Panni for Genoa in 1972, Leslie Head conducted two performances of the opera last week at the Collegiate Theatre. This edition is scored for flutes, oboes, bassoon, trumpets and trombone, as well as strings and continuo, and it is no denigration of Mr. Head or the Opera Viva Orchestra to point out that the resulting sound can bear little resemblance to the original as performed at Venice in 1649.

Giasonè was one of the most successful of all Cavalli's operas, and though it was possible, with the ears of faith, to understand the work's popularity from Saturday's performance, it certainly needed more than a modicum of indulgence on the part of the audience.

The libretto by Cicognini (the opera was sung in Italian) is a version of the story of Jason and Medea, who are in the middle of a torrid affair at the beginning of the piece. By the end, both have returned to former lovers, so making a happy ending. A quintet of servants provides comic relief and a sub-plot of sorts. The obligatory Prologue has Sole, the God of the Sun, arguing on the side of Medea (his niece) against Cupid who favours the claims of Isiphile who was formerly in love with Jason. It is, of course, Cupid who wins. To make Sole into a whip-cracking ring-master, for all the world like the Animal Tamer in *Lulu*, was one of Christopher Renshaw's less happy production ideas.

Jason himself cuts an unheroic figure. At the instigation of the jealous Medea, he tries to have Isiphile drowned. Unfortunately it is Medea who gets thrown in the sea, and having been rescued by her former lover, Egeus, she rather naturally prefers to return to him, leaving Jason to respond, with very bad grace, to the passionate pleading of Isiphile.

The Entertainment Guide is on Page 17

Anthony Bremner (counter-tenor) endeavoured to bring sincerity to Jason's irresolution, but neither his voice nor his stage personality was strong enough to lend the character much conviction. As Medea, Sydna Withington (contralto) sang firmly. Her famous incantation scene at the end of the first act, where she summons up the spirits of the underworld to aid Jason, was splendidly declaimed.

Yara Labal (soprano) sang Isiphile's long declaration of love for Jason, which contains some of the best and most moving music in the whole opera, with praiseworthy conviction and real pathos. Paul Ferris (tenor), as Egeus, has an almost equally effective scene in which he laments the loss of Medea's love, and he sang it in the proper spirit of noble resignation. Patricia McCord, a jolly Alinda, rejoicing in the number of soldiers to be found on the island where the whole cast has conveniently been shipwrecked, and Cristopher Adams as Demo, the stuttering servant to Egeus, convinced that he and his master have perished in the storm, were both notable. Leslie Head did not differentiate sufficiently between recitative, arioso and aria, nor did he shape the vocal lines subtly enough. As a result, much of Cavalli's highly-developed power of expression was lost or dissipated in too rigid rhythms.

Christmas on the South Bank

Christmas on the South Bank has three principal attractions. The first is at the Royal Festival Hall, where London Festival Ballet will present its annual production of *The Nutcracker*, commencing on Boxing Day and running till January 10.

In the Queen Elizabeth Hall, Derek Block presents *Paco Pena Flamenco Puro*, opening on Boxing Day and finishing on Saturday, January 3. After a gap of two years, Paco Pena returns to the South Bank for the Christmas season with a new company not yet seen in this country.

In the Purcell Room, Margaret Wolfit, daughter of the late Sir Donald Wolfit, will present her own dramatisations from the novels of George Eliot. From December 29-31 she will present extracts from *The Mill on the Floss*, and from January 1-3 the programme, under the title *Strange Contrasts*, will consist of extracts from "Adam Bede," "Felix Holt" and "Daniel Deronda."

Coliseum

La Belle Hélène by MAX LOPPERT

is not the single note of rfully raucous vulgarity ssantly struck throughout the ning that is itself objection- about John Copley's recent uction of Offenbach's etta, newly revived on ay with fresh principals. nbach was, after all, the us of the boulevard, where and low styles mingled in- iminately, to be incorporated s heavy blend of satire and nism. The trouble, at least ired, slapdash reading under Davies, was that there was st in the music, and, worse that, almost no charm in performances. The result that the gimcrack inventions he sets, the candy-floss urs and low gags combined roduce a gauche spectacle, out any of the saving graces de and melodic delights that Anne Howells and Charles Mackerras had between them contrived to work into the first performances.

The new Helen was Sandra Browne. This ought to have been natural casting: instead the effect was disappointingly angular and even humourless. Miss Browne's trim, lithe good looks offer in themselves little of the seductive promise that every Offenbach heroine should convey; her voice is likewise too clear and forwardly projected to melt easily into the melody. But she is, as she has already shown, an actress of inate resource. Unfortunately no one had apparently guided her into making the most of the music, in phrasing and word-delivery, in such a way as to conceal natural disadvantage. If no one backstage can show her how to caress Offenbach, to bring out the grace and the beauty as well as the wit of his music, there are records by Tourel, Teyte and Crespin to lead the way. Her manner of speaking the dialogue was rather too much throwaway.

Perhaps she needed a Paris of more forceful personality, less callow demeanour, than Ian Caley, to strike form. There was a certain sweet lyricism in his tone, too often used with unhelpful limpness: his boyish looks, which ought to have been of advantage, were instead somehow inappropriate. Over the whole evening there hung the pall of insufficient rehearsal. Possibly the two new principals suffered the most from this lack, and will later be drawn more sharply and enjoyably into the comedy. Of all the company at present only the Calchas of Eric Shilling, quizzical, dotty and light on his feet, shows any real perception of the difference between Offenbach and panto.

Festival Hall

Beethoven by GILLIAN WIDDICOMBE

itink, the most interesting, it and affecting Beethoven uctor of his generation on sday devoted an entire con- with the London Philharmo- o that composer. In the old- oned pattern, the evening n a little roughly with the d *Leonore* overture, which s a performance of genius perfection if we are to be d from an anachronistic le—better luck next time! ve a nagging suspicion that of the LPO's string play- this season (varying from cused colour or tone, to raggity ensemble in which front desks play six to the desks' seven) has been due he flattering acoustics of new rehearsal hall. After much money and effort, ly do not confirm.

wever, by the *Eroica* the had returned to the unani- s and sophisticated playing h distinguished their Beet- n cycle with Haitink two seasons ago: playing which combines rhythmic stress and energy with pliant, sensitive articulation. Haitink's view of the *Eroica* seems to have changed. Thursday's performance was rather more expansive, suggesting that a reading which began as fresh, fluent and glossy had grown several freckles and smiles, if not yet warts and frowns. On Thursday, in the first movement, there was less strict attention to Beethoven's dynamic grading (previously each *sf* and *fp* was articulated with computer-like collaboration), and more sense of crescendo towards the end of the development. Like Solti, Maazel, and many lesser fellows, Haitink again cut the exposition repeat. And again it seemed a shame, because the variety, and confidence of his reading suggested that the repeat could well have been sustained.

The Funeral March was excellently done, seeming to take its tempo from that most natural for the oboe solos. In the Minore section, Haitink brought the climax forward, pre-empting the fortissimo diminished seventh usually regarded as the 19th century's first fearful catastrophe. Neat, fleet scherzo; and then a humorous account of the finale at a moderate allegro. One of its many happy details was the suggestion that Haitink and the LPO found the woodwind tenutos amusing.

Not for the first time, a satisfying performance of the *Eroica* has unfairly overshadowed a fine performance of a piano concerto. Stephen Bishop-Kovacevich (replacing Alfred Brendel) gave a masterly account of the C minor, catching our attention from his first entrance with three crisp runs, ten dogmatic octaves, and a strange, disconcerting phrase for those first chords which suggest that the pianist has something deeper and more ingenious to say.

s

School for Clowns

is slapstick comedy by an author and cartoonist, Frich Karl Waechter, was produced at the Frankfurt national Children's Theatre val at Kaster this year; Ken bell, with his Roadshow and ish translation, presented British premiere for Unicorn ondon last Friday. To my , German and slapstick, ested uneasy, if not incom- le bedfellows, but when the er for fall-about, tumbling y, was Campbell's naive, l-town, short-sighted profes- my prejudices were per- ed.

ter a start as slow and lack- e as a present-day siege, the show finally takes off into a flurry of fizzy leaps and bounds. With constant costume-changes, riotous activity — half of which takes place in the auditorium— and the inclusion of a hundred or so juvenile, non-Equity members, who needs a plot? A plot is not what we got.

The on-stage action whips between the professor's podium, a bottomless, backless props cupboard and a floor mat on which sit and squirm the four pupil clowns. There is a hole under the mat, from and through emerge or plunge the entire cast, the sight of which had the kids aching with laughter and must kill for all time the old-hat trapdoor gimmick.

Ken Campbell's Professor Molereasons is Max Wall out of Jimmy Edwards, yet crazy Campbell for all that. Sylveste McCoy, the "original ferret man" who recently turned-on Michael Coveney on this page, is the bad boy of the schoolroom and the children's favourite — especially when sandwiched between them in the stalls.

Chris Langham is a delightfully dotty Puff (one speculates on the original German names) and Andy Andrews the amiable Drippens. Duncan Faber is Nibbs and Unicorn's artistic director, Matyelok Gibbs, cleverly cast as Pimple, the only female clown.

DEBORAH PICKERING

Royal Court

A Tale of Three Cities

The three cities are London, Paris and Addis Ababa, and the subject is exile. The author, Gebre Yohanse Asefaw, is a young Ethiopian who came to England for education and gave it up in favour of cleaning in hospitals.

His play, the first he has written, contains two plots, loosely strung together. One concerns a Frenchman who went to Addis to sell perfume and bankrupted himself by giving it all away to Ethiopian girls. He then got an agency to sell cars and bankrupted himself again in the same way. Then he hanged himself.

The second story is about an Ethiopian writer in London, earning his living by cleaning toilets; and from him we learn the serious things about exile. He can't reconcile the endless eating of the family with whom he lodges and the starvation of his own people which they watch on their television. He feels that he is suspected of (to use his own analogy) coming here to eat grass and then eating bacon and eggs. Inquiries into his status effect him like third-degree torture. There seems to be a universal conspiracy going on around him. Like the Frenchman, he too dies violently: his landlord knifes him on suspicion of sleeping with his wife.

Though the subject-matter is serious, the treatment is not. Extraneous characters of all kinds are introduced and play irrelevant scenes: an Indian doctor lectures on world peace, an Ethiopian priest preaches forgiveness, an English peer brings on a donkey in a parody of Palm Sunday, a German psychiatrist tells of persecution in Europe. Some of these passages are very funny, some are tedious, most are too long.

Nicholas Wright's direction is full of amusing quirks; one would like to know which are his and which the author's. The immense cast overflows from the stage into the front row of the stalls and two blocks in the circle. There are constant Pirandello-like changes between actor and character. More discipline is called for; on the other hand, with more discipline the play might not be so funny.

B. A. YOUNG

THE JOBS COLUMN

Translating business, etc.

BY MICHAEL DIXON

BERNARD KEIGHER of Tek *Translation and International* Print wants someone to manage his translation department which, as he says, is not as simple a job as it sounds.

The London-based department deals with material ranging from film scripts, through national tourist brochures, to matters of high technology. It deals with them in a diversity of languages, including French, Russian and Chinese.

The manager won't have to do much translating personally, because I gather that the work is normally done by *freelance* writers of the appropriate nationality. But to run the department successfully the recruit will need to understand the nature of translating work and to get on with people of varied nationalities well enough to help them to produce their best. In addition, the manager will need sufficient business sense to negotiate the right price with the translator for each piece of work.

The Tek managing director is thinking of a starting salary of £5,000 to £6,000, and puts the age range at roughly 28 to 35. People with demonstrably relevant skills and experience should contact Mr. Keigher at 11, Uxbridge Road, London W12 8LH—*Tel. 01-749 3211*.

THIS COLUMN apparently found a commercial manager last April for the Engineering Industry Training Board. So Mostyn Morris, the Watford-based Board's financial con*troller, hopes we can help again* in his search for a financial services manager.

Mr. Morris would like written applications from qualified accountants with experience of systems design, particularly in the computer area, and of internal audit and operations review. Candidates must also have successfully managed staff. Salary around £6,000-£6,500. Address is P.O. Box 176, 54, Clarendon Road, Watford, Herts, WD1 1LB.

NOW an unusual job for a woman in *the John Lewis Part*nership whose controlling equity is held in trust for all the company's permanent workers.

The opening is for a branch registrar, whose prime task is to see that the partnership's constitution is operated in the branch and that central policies, especially in the personnel field, are followed. The registrar acts as "colleague-adviser" to the head of branch, and as counsellor—and in case of need, ombudsman—to each of the staff. She also has charge of personnel records.

Willingness to move from one branch to another periodically is essential. Candidates could come from various backgrounds, *including personnel, administra*tion and the academic world. The main qualification is demonstrably appropriate qualities of intelligence and character.

Age probably not under 30. Salary *around £4,000*. Profit-sharing scheme. Written applications to T. G. Andrews, director of personnel (4, Old Cavendish Street, London W1A 1EX).

A SKILLED marketer is needed to lead new fund-raising operations in the U.K. on behalf of the World Wildlife Fund. As appeals director, newcomer will have target of at least £2m. annual income by 1980. Tasks will include negotiation of wide-ranging commercial agreements with manufacturers. Base *London. Salary up to £8,000.* Car. Applications to Pat Lindsay of Tyzack and Partners (10, Hallam Street, London W1N 6DJ—Tel. 01-580 2924).

A FLEXIBLE young architect is wanted in Ascot by the Allied Commercial Construction Group to work in conjunction with senior management and clients in designing and producing complete schemes for commercial buildings. Job involves professional, technical and financial aspects of construction work. Salary at least £4,000. Directorship could be earned in about six months. Applications to Neville Hutchinson, managing director, at Kingshill House, Sunningdale, Ascot, Berks—Tel. Ascot 25952.

JOSEPH SASENICK, managing director of the Gillette subsidiary, Braun Electric (U.K.) wants a marketing professional in Staines as product manager on what he says is the company's most important line of appliances. *Candidates* must have at least two years success in marketing consumer durables. Age late 20s. Salary around £6,000. Address is Mill Mead, Staines, Middlesex TW18 4UQ—Tel. Staines 59351.

SEVERAL retired accounting staff with experience in oil or associated companies are needed by Michael Riley-George, of Accountancy Task Force, for work on contract up to April or thereabouts. Permanent engagement possible later. Bases London. Pay at rate of *about £4,000* a year. Address: 15, New Bridge Street, London, E.C.4—Tel. 01-353 8291.

APPLICANTS for the next two should telephone the Professional and Executive Recruitment consultant named on 01-235 7030.

The Employment Service Agency in London wants a graduate level database manager with at least five years experience in systems or programme design. Job is operation and development of integrated database used in big on-line system for computer matching of job openings with job candidates. Salary £5,310-£6,310. Colin Hodsdon, extension 351.

Seagram Distillers wants qualified accountant aged about *26-45 as accountant of small* subsidiary in Wembley. Responsibilities include usual accounts, cash-flow management, budgets etc. Salary around £5,000. Theresa Crowley, ext. 216.

APPOINTMENTS

COMPANY NOTICES

GM

BEARER DEPOSITARY RECEIPTS

GENERAL MOTORS CORPORATION

Further to the DIVIDEND DECLARATION of 25th November, 1975, NOTICE is now given that the following distribution will become payable to AUTHORISED DEPOSITARIES on and after the 15th December, 1975, against presentation to the Depositary (as below) of Claim *Forms listing Bearer Depositary Receipts.*

GROSS DISTRIBUTION PER UNIT	3.00 CENTS
LESS 15% U.S. WITHHOLDING TAX	0.45 CENTS
	2.55 CENTS PER UNIT
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Barclays Bank Limited,
Securities Services Department,
54 Lombard Street, EC3P 3AH.

15th December, 1975

OMRON TATEISI ELECTRONICS CO.

Advice has been received from Tokyo that payment of an interim cash dividend of Yen 2.50 per share has been made for the six months period ended 30th September 1975.

The dividend will be payable in United States dollars (except to residents of the United Kingdom) and will amount to $0.0407 per Depositary Share before deduction of any Japanese Withholding Tax.

RESIDENTS OF THE UNITED KINGDOM will receive payment in sterling converted at the rate of exchange ruling on the day of presentation of the coupons.

RESIDENTS OF THE FOLLOWING COUNTRIES

who are subject to deduction of Japanese Withholding Tax at the reduced rate of fifteen per cent. will receive a net dividend of $0.0346 per Depositary Share after deduction of Withholding Tax ...

FORMS OF AFFIDAVIT ARE AVAILABLE AT ANY OF THE OFFICES LISTED BELOW. IN THE ABSENCE OF SUCH AFFIDAVIT, COUPONS WILL BE PAID UNDER *DEDUCTION OF WITHHOLDING TAX* AT THE FULL RATE OF TWENTY PER CENT.

Attention is drawn to the fact that the aforementioned concessions relating to Japanese Withholding Tax apply only to coupons presented for payment within five months of the record date, i.e., 30th September 1975. Thereafter tax will be *deducted at the full rate of twenty per* cent and it will be the responsibility of the owner to claim from the Japanese Tax Authorities any refund to which he is entitled.

HOLDERS OF BEARER DEPOSITARY RECEIPTS (B.D.R.'s) wishing to claim this dividend should present Coupon No. 19 at the offices of any of the following:

CONTINUED ON NEXT COLUMN

JACQUES BOREL INTERNATIONAL

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15th December, 1975.

REPUBLIC OF FINLAND

LEGAL NOTICES

PERSONAL

HAPPY Christmas is a Cerma watch.

HOME NEWS

CBI wants reduction in scale of public sector

FINANCIAL TIMES REPORTER

THE SCALE of the public sector *should* be reduced *in order to* correct the balance between it and the private sector, according to the Economic Policy Committee of the Confederation of British Industry.

In a confidential paper on public expenditure which will be put to the CBI Council for approval on Wednesday — and which is written in unusually direct terms — the committee under the chairmanship of Mr. Adrian Cadbury argues that the aggregate amount should be reduced below the levels projected in the last (January 1975) White Paper.

The committee also discloses that 400 specific suggestions for reductions in public expenditure, mainly to reduce wastefulness, have been made by CBI members since August. The paper recommends that they should not be published yet, but given to the Chancellor of the Exchequer asking for urgent Treasury investigation.

As a general recommendation, the committee believes the economy cannot afford the provision of "free" goods and services on the present scale, so that the Government should examine the possibility of more widespread charging.

Unless public expenditure can be severely restrained, there will not be sufficient resources available for an acceptable rate of increase in privately-financed consumption which, *in the* medium term, is a necessary condition of a sustained counter-inflation policy, the Committee argues in its draft of the CBI position.

Such a policy also requires continued restraint on the growth of the money supply, and this will be very difficult to achieve, particularly when *economic recovery* brings increased demands for funds from the private sector, the committee maintains, unless the public sector borrowing requirement can be greatly reduced.

It is also essential that, once industrial production begins to increase again, a sustained recovery is not again frustrated by shortage of manpower and other resources pre-empted by a *rapidly growing public sector, it* argues.

There is widespread disbelief that the Civil Service pay research system has resulted in comparable pay and conditions *for comparable* jobs in the private and public sectors, according to the paper: "private employers have found it very expensive to have to match the State as an employer."

Exemplifying what it calls "the damage to the industrial sector" of public expenditure levels and trends, the committee complains of excessive income *tax rates, specially when the* "so-called" earnings-related national insurance contribution is included. Higher tax rates "are ridiculous," it says.

Public funds to help political parties urged

FINANCIAL TIMES REPORTER

IN SPITE of its reluctance to encourage any rise in Government expenditure, the Confederation of British Industry wants public funds to be given to political parties "in the interests of parliamentary democracy."

But the aid should be given exclusively for research and educational purposes, and should therefore be given to the appropriate central research department, *the CBI says in its evi*dence to the Houghton Committee on Aid to Political Parties, published to-day.

The grant from public funds should always remain "the *minor proportion*" of a party's revenue, the CBI suggests. As to the allocation of such aid, it advises that it should not be limited to the reimbursement of election expenses. Rather, it *should* be an annual sum related to the average number of votes obtained by the party in the last two elections (with a minimum qualifying percentage of the total votes recorded), and to the average number of seats secured.

There may also be merit in considering the weighting of any Government grant according to the amount of funds raised by each party from private sources *the* CBI claims. Income tax relief should be given on private donations of up to, say, £50 to encourage support from individuals, and if public money is made available there should be a statutory requirement for the full disclosure of all income received by the parties, broken down into broad donor categories.

Chrysler rescue plan expected to meet strong opposition

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE DEEP divisions in the Cabinet over the rescue operation for Chrysler's U.K. plants will be reflected throughout the Parliamentary Labour Party when Mr. Eric Varley, Secretary for Industry, announces the terms to the Commons to-morrow.

Hostility among Labour backbenchers from all sections of the party mounted over the weekend as MPs realised the full implications of the £180m. rescue deal, which should save the jobs of two-thirds of the 25,000 work-force.

Left-wingers argued that so much public money should not have been doled out without a major element of State control, while some moderates claimed that the deal made nonsense of the Chequers agreement to back winners and would make it much more difficult to sell cuts in public expenditure to the Labour movement.

With the Conservative Party and the Liberals deeply sceptical on the grounds that the Government was throwing away taxpayers' money on a doomed project, Ministers could face acute problems in getting sufficient Parliamentary support for the scheme.

To-morrow's statement will be the most severe political test yet faced by Mr. Varley. There will be considerable support for *his view, that too much Govern*ment money was being pumped into a multi-national company virtually without strings, but not for his tactic of threatening resignation but then withdrawing the threat *without gaining any* significant concessions.

Mr. Michael Heseltine, "shadow" Industry Secretary, commented yesterday that if the rescue terms were as suggested they appeared to be totally in conflict with Government policy. "If the sort of sums of money said to be involved turn out to be the case, my only reaction would be one of incredulity," he added.

Tories clearly do not want to commit themselves to a hard attitude yet, partly in order not to prejudize the Ministerial statement and partly to allow the damaging splits in the Labour Party over industrial policy ample scope to emerge.

But Labour MPs were far less inhibited. Mrs. Renee Short (Wolverhampton NE), a senior Left-wing member of Labour's National Executive, said there would be an enormous outcry if the country was providing this amount of money to rescue an American concern which had shown it had bad management.

"My blood boils because Mr. Varley has refused a mere £7m. loan to get a British company, *Norton* Villiers Triumph, on its feet. Yet the Government is apparently willing to shell out huge sums to Chrysler. I am furious."

Opposition to the rescue *scheme is already planned by the* Association of Scientific, Technical and Managerial Staffs (ASTMS) whose general secretary Mr. Clive Jenkins, has called a special meeting of the *union's Parliamentary committee* to-morrow before the debate. The intention is to mobilise the union's sponsored MPs against the Government.

Mr. Jenkins said on Saturday that he knew of three more multi-national companies that had told the Government they wanted equal treatment if Chrysler received a massive cash hand-out with no strings attached.

Left-wing Labour MP Mr. Ian Mikardo, a member of the ASTMS executive added: "The policies of history show that if you pay off a blackmailer he comes back for more."

A full day's debate on the motor industry—obviously is concentrating on Chrysler—will follow Mr. Varley's statement and on Wednesday the Commons will debate the employment situation before adjourning for the Christmas recess on Friday.

Dealers call to sell other cars

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE CHRYSLER dealers are determined to press ahead with a demand for an end of the exclusivity clause in their contracts under which they can only sell cars manufactured by Chrysler U.K., or the group's *French subsidiary*, Simca.

A meeting between the dealers and the Chrysler management is expected shortly after the Government announces its rescue terms for the company this week.

It is *already clear, however,* that the confidence of Chrysler dealers has been so badly shaken over the last six weeks of talks between the Government and the company, that it will be hard to convince them that a permanent solution to Chrysler U.K.'s problems has been reached.

"I have seen nothing so far to give me faith that Chrysler has a long-term future in the U.K.," Mr. William Dewing, chairman of the Chrysler dealer organisation, said.

Because of this lack of confidence in Chrysler, dealers want to be able to take on other franchises as an insurance. Over the last few weeks many of them have taken the first steps towards this, as they have put out feelers to other manufacturers in case Chrysler should collapse.

One of the mainsprings of Government policy over Chrysler has been the anxiety that if the company were allowed to collapse it would have thrown the 800-strong dealer organisation into the arms of the importers. During the late 1960s, the reorganisation of British Leyland franchises, which pruned out many small dealerships, had the effect of assisting in the rapid build-up of the Japanese car manufacturers' dealer networks.

At present, it is also clear that most unwanted Chrysler dealers would be forced in the direction of foreign cars. British Leyland is currently re-examining its dealer requirements, and although it is now thought that it may not shed many dealerships, it will almost certainly not take any more on.

Ford rationalised its dealer network in the mid-1960s, and is *not considering any fundamental* reorganisation, while Vauxhall is unlikely to take on many more.

Even in areas where BL and Ford might be considering reorganisation, the size of the Chrysler establishments, developed on the basis of selling *to 10 per cent. of the market*, is generally too small. Some large BL dealership chains are known to have looked at Chrysler premises and decided against them on the grounds of their limited space.

Traders think again on site of 1977 motor show

FINANCIAL TIMES REPORTER

THERE COULD be a 1977 Motor Show at Earls Court after all, and the plan to move it to Birmingham *in* 1978 may be revised.

Decisions on both issues will be taken after a ballot of members of the Society of Motor Manufacturers and Traders. The possibility *of a change in plan* results from a revision of the Earls Court modernisation programme.

The revision means the London complex would not now be closed for any substantial period, according to the SMMT, and that the Motor Show need not be displaced should the Society decide to stay in London, or to hold a 1977 International Motor Show in London.

It had been assumed until now that there would be no Motor Show in London or Birmingham in 1977, and that the National Exhibition Centre near Birmingham would stage a combined Commercial and Motor Show in October 1978. The forthcoming ballot would be on the future frequency of International Motor Shows and whether they should be held in London or Birmingham.

Meanwhile, SMMT statistics show a further decline in the share of imports on the commercial vehicle market. In a market which fell by 13 per cent. to 17,432 total registrations in November from the equivalent 1974 figure, imports accounted for only 10 per cent., against 13 per cent. in November 1974.

Last month's fall in the overall market was much sharper than so far this year — for the eleven month period the drop was only 6.7 per cent., to 206,808 vehicles—but it looks as if much of the extra brunt was shouldered by the importers, since over the full 11-month period their share of 11.3 per cent. (against 14 per cent. in 1974) was *substantially* higher than last month.

Car traffic rose only 1% in 1974

THE NUMBER of cars in use *in Britain last year* increased by only 1 per cent., the lowest rise for at least five years. New registrations dropped to below the 1971 level, and the average annual mileage fell for the second year running to an estimated 8,500.

Commenting on its 1975 edition of Basic Road Statistics, the British Road Federation says the increase in the number of cars and total vehicles in use was in spite of a 70 per cent. increase in petrol prices and a substantial rise in the taxes paid.

One of the most expansive vehicle sectors in 1974 was motorcycles, where—whether for eco*nomic or fashion* reasons—the number in use grew by three per cent. for the second year running.

Basic Road Statistics 1975, British Road Federation, 26 Manchester Square, London W1M 5RF. £1.

Business leaders in U.S. mor[e] optimistic

FINANCIAL TIMES REPORTER

CLEAR INDICATIONS t[hat] businessmen on the other s[ide] of the Atlantic are more optin[mis]tic about business prospects [in] 1976 than their Europ[ean] counterparts emerge from [the] first international chairme[n] panel poll carried out by [the] Director magazine, publish[ed] to-day.

Based on a selective survey [of] chairmen all over the world, [the] study concludes that there [is] broad agreement that the p[er]formance of the U.S. economy [is] the lynchpin on which "[the] West's economic wheel turns." Nevertheless, American busin[ess]men seem more optimistic ab[out] economic prospects for th[eir] own country than Europ[ean] businessmen seem about the[irs].

Typical of the short te[rm] optimism shown by U.S. bu[si]nessmen was that of Mr. Colin Marshall, president of Avis R[ent] A Car, who declared: "Desp[ite] the ever-present spectre [of] inflation, I anticipate a c[on]tinued improvement in gene[ral] economic conditions in the U[.S.] during 1976."

Pessimism about U.K. prospe[cts] was typified by Mr. Hu[...] Parker of McKinsey. He stres[sed] that even North Sea oil [was] "*likely to be too little, too l[ate]* and probably too expensive [to] bail out the national econom[y]."

MORE HOME NEW[S] PAGES 7 AND 16

Move to stop EEC ban on turkey trade

THE TRADITIONAL fres[h] plucked turkey is threaten[ed] with extinction under a Com[mon] Market trade directiv[e]. Between 3,000 and 4,000 fa[r]mers in the U.K. raise up [to] 2½m. fresh turkeys a year fo[r] the Christmas trade.

The directive seeks to ba[n] the sale of these turkeys from 1981.

Usually reared in barns fro[m] day-old chicks in summe[r] turkeys are killed just befo[re] Christmas and the farmer['s] family and friends called i[n] *to help with the plucking.*

Some firms have been sellin[g] this type of high quality turkey, hung for flavour lik[e] a game bird and with th[e] special finish that hand plucking gives, for more tha[n] two centuries. Sale of thes[e] birds, known in the trade a[s] New York dressed, would b[e] banned from 1981 if the EE[C] directive went unchallenged.

Christmas next year mig[ht] be the last in which they wou[ld] be available in any quanti[ty]. EEC rules on buildings [in] which turkeys are kille[d], plucked and prepared co[me] *into effect in mid-1977.*

"The Brussels directive sa[ys] that farmers, if they wish [to] go on producing NYD turke[ys] for another four years, mu[st] erect what is tantamount to [a] food-processing station," sa[id] Mr. Ernest Magog, executi[ve] secretary of the British Turk[ey] Federation.

Air contract loss worries Lucas men

By Peter Cartwright, Midlan[ds] Correspondent

LORD RYDER, chairman of [the] National Enterprise Board, [is to] be given details of a me[eting] between Mr. Gerald Kauf[man], Minister of State, at the ind[ustry] Department, and worried r[epre]sentatives of nearly 3,000 [em]ployes of Lucas Aerospace [fac]tories in Birmingham.

Mr. Brian Salisbury, chai[rman] of the liaison committee r[epre]senting all six staff and m[anual] unions, told Mr. Kaufman [of] concern over the cancellati[on of] a development contract fo[r the] main electronic control un[it of] the Rolls-Royce RB199 pow[er unit for] the Multi-Role Combat Air[craft].

Esso pension fund buys big estate

Financial Times Reporter

The Esso Pension Trus[t has] bought a 1,900-acre prope[rty in] Herefordshire, the Ha[...] Court estate.

Owned by Cluttons since [...] it had previously been i[n a] Hereford family's ownersh[ip for] several centuries.

The estate lies in a f[...] area between Hereford [and] Leominster, and comprises [...] let farms, covering 1,334 [acres,] two houses, two cottage[s and] fishing rights, all let for [a total] of £18,332 a year.

SNOW REPORTS

SCOTTISH SKI REPORT

The Financial Times, published daily except Sundays and holidays ... $190.94 ... per annum ... New York, N.Y.

OVERSEAS NEWS

Lebanon faces partition or solution from outside

BY IHSAN HIJAZI

BEIRUT, Dec. 14.

LEBANON, now on the brink of an all-out civil war, faces two choices: a solution from the outside or partition.

All efforts exerted locally have failed to end or even check the expanding and intensifying inter-communal clashes which have claimed the lives of some 200 people in the past 48 hours. The fifteenth ceasefire announced on Thursday night was not observed at all by the combatants and a higher co-ordination committee which had worked out the truce is now completely deadlocked.

Yesterday, December 13, the Lebanese crisis was exactly eight months old. It broke out last April 13 when 27 Palestinians riding on a bus were ambushed and killed in the Christian suburb of Ain Al Rummaneh. This suburb has ever since been engaged in daily exchanges of fire with the adjacent Moslem quarter of Chiyah. They were at it again last night and to-day, while heavier clashes continued in the heart of town and the hotels district on the seafront.

The combined forces of Moslem and leftist militias have thus far been unable to evict a joint force of militiamen of two Christian groups the Phalangist party and the National Liberal party of Interior Minister Camille Chamoun, from the lobby of the Holiday Inn. The upper stories of the hotel have been damaged by flames when they were hit by incendiary rockets fired by the leftists.

The fierce fighting has spread north to the port of Tripoli and east to the Bekaa valley, where the conflict has taken on an open religious character.

As many as 60 Moslems and Christians were reported to have been killed in the Zahle area and the nearby Bekaa villages yesterday. Whole families were wiped out in reprisal killings, according to eyewitness reports from the region.

In the north, Moslem militiamen at the Kobbah suburb of the port of Tripoli exchanged mortar shells and rockets with the Christians of Zgharta on the hills overlooking the harbour. There were additional kidnappings and counter kidnappings, many of the victims being summarily executed. The number of those killed there in the past 24 hours was put at 26.

The picture is rendered even uglier by the daily discovery of dead and mutilated bodies in the general Beirut area. For almost a week, 20 dead bodies have been turning up daily. Many were believed to have been kidnap victims.

With Lebanese politicians obviously unable to control the situation fresh moves have been made to seek Arab mediation. Former Premier Abdullah Yaffi flew to Damascus yesterday for talks with Syrian leaders, and Socialist leader Kamal Jumblat is due there to-morrow. There is speculation that Syrian Foreign Minister Abdel Halim Khaddam will come here within the next 48 hours.

A larger Arab initiative is also sought. There has been a proposal, backed by Cairo, for an urgent meeting of foreign ministers of Egypt, Syria, Iraq, Saudi Arabia and Kuwait to act as an Arab League reconciliation committee for Lebanon.

Observers noted that if the proposed mediation by the Arab States fails to produce effective and quick results in ending the national strife here, talks of partition would intensify.

Reuter reports from Cairo: French President Valery Giscard D'Estaing said to-day France might call upon the United Nations to stop the civil war in Lebanon from causing the country's break-up. The French President told a Press conference here that it was up to the Lebanese "to put an end to their internal strife. But we will not leave Lebanon to break up and therefore, the United Nations might be called upon to act."

Investment revival is Mr. Fraser's main strategy

BY KENNETH RANDALL

CANBERRA, Dec. 14.

MAJOR changes in Australia's business, investment and foreign policies have been forecast by the new government elected yesterday. The new Prime Minister, Mr. Malcolm Fraser, 46, an Oxford-educated grazier from Western Victoria, has staked a great deal of his government's success on its ability to restore business confidence and encourage economic recovery.

Mr. Fraser's main strategy is to revive investment through a series of incentives to date from January 1. But he has also promised to preserve most of the big-spending reform programmes of the former Labor government and may have to resort to stiff monetary policy measures within the next months to avert another surge of inflation.

The new Liberal-National Country Party government is firmly committed to winding-back many of Labor's initiatives in the policy areas affecting natural resources. An exception, however, is the oversight of export contracts and prices for commodities like coal. The intention of Japanese steel-makers to request a reduction in coal exports because of the current reduced demand for steel will provide an early test for the new cabinet — and probably for Mr. Douglas Anthony, the National Country Party leader, who hopes to combine overseas trade and minerals and energy in a powerful new policy portfolio for himself. Mr. Anthony will also be Deputy Prime Minister.

The Fraser government will abandon plans for a government-owned petroleum and minerals authority. It has also indicated a willingness to dispose of the Sydney to Central Australia gas pipeline if there is a taker but there has been no decision on the shareholdings in private companies — notably Mary Kathleen Uranium and Wambo Colliery—acquired by the Labor government.

The coalition has set out a policy on minerals and energy which continues Labor's objective of encouraging the maximum practicable degree of local processing but with more flexibility of what is "practicable." It pledges to allow uranium exports subject to environmental and international obligations and says the new government "will examine" the possibility of establishing a uranium enrichment plant in Australia.

Oil exploration incentives are to be re-introduced, although no details of their form have been given. They will be aimed both at exploration and development and production—a major consideration for the Woodside-Burmah consortium in view of their latest discoveries on the north-west shelf.

On pricing, the policy statement says: "All new discoveries of oil will be sold at world market prices. Any changes in the price for known reserves and producing fields will be determined after advice has been presented by an official, independent inquiry."

Mr. Fraser has also promised, in general terms, a tougher protectionist policy for local manufacturing industry. The undertaking has already been viewed in Tokyo with some concern but is dictated by domestic unemployment and is most likely to be turned aside easily.

The Government is to make a major review of manufacturing industry policy but has already affirmed that the tariff will continue as "the prime means of developing and assisting manufacturing industries."

The restoration of export incentives has also been promised in general terms at least equal to those eliminated by the Labor government last year. The new investment incentive will be a 40 per cent. depreciation allowance for plant installed after July 1, 1976, and before June 30, 1978, whether it is purchased or leased. Beyond that period, the rate will be 20 per cent. for a further five years.

Turkey to demand stiff conditions on U.S. bases

BY DOMINICK J. COYLE

ANKARA, Dec. 14.

ANY NEW bilateral defence agreement between Turkey and the U.S. is unlikely to return to the Americans exclusive control over their 26 important military installations in this country which are now effectively closed down and under "Turkish Army control and observation."

Additionally, the Demirel Government is expected to insist that a new defence package with Washington be endorsed formally by the U.S. Congress before being signed by Ankara, a precedent established recently by the Israelis over the Sinai disengagement agreement with Egypt.

Turkey is also seeking guaranteed arms shipments from the U.S. over a fixed period — unlikely to be less than three years from the date of any new defence agreement—and it wants the final package to be "quantified" to specify precisely the arms and equipment to be delivered and a time schedule for actual delivery.

These facts emerge from top-level interviews with Turkish Ministers and senior officials, including participants on the Turkish side in the current negotiations over arms supplies and the future of U.S. bases in Turkey. The American team is headed by Mr. William Macomber, the U.S. Ambassador in Ankara, and includes Pentagon and State Department experts.

The U.S. arms embargo on Turkey, imposed last February in a delayed Congressional reaction to the Turkish invasion of Cyprus, and which has since been partially lifted, is interpreted officially here as a "hostile act," which terminated unilaterally the 1969 defence co-operation agreement between the two countries. Any replacement pact, according to Turkish Government sources, will deny to the U.S. her "same privileged position" regarding the American bases.

While the Demirel government here, a coalition of four parties including the staunchly nationalist and pro-Islamic National Salvation Party, does have considerable domestic opposition, its negotiating position with the U.S. commands broadly uniform Turkish support, including that of the opposition Republican People's Party of Mr. Bulent Ecevit who, as Prime Minister, authorised the original Turkish invasion of Cyprus last year.

Indeed, if anything, Mr. Ecevit's party would adopt an even more hard-line attitude to the talks with the U.S.

Turkey is also demanding a "rent" from Washington for the bases, and an annual figure of $1.5bn. has been mentioned. But in fact terms and conditions for resumed American arms supplies, and the exact new status of the bases, are likely to be much more crucial in the negotiations than actual cash. This could be an advantage to the Ford Administration, which is not anxious to establish precedents for paying rent as against aid and loan facilities to countries having U.S. military installations

Franco-Egyptian arms accord

BY MICHAEL TINGAY

CAIRO, Dec. 14.

FRANCE WILL assist in setting up an arms industry in Egypt, it was announced here to-day at a joint Press conference in Cairo by Presidents Anwar Sadat and Giscard d'Estaing at the conclusion of the French President's five-day state visit to Egypt. The contribution will be of technological knowledge and experience and will lead to the eventual production under licence of jet fighter aircraft, presumed here to be the Dassault Mirage in one or other of its versions.

The joint Presidential communique spoke of French co-operation on a desalination plant, a nuclear power plant, construction of an underground system in Cairo, and a large number of industrial projects including plants for aluminium, steel and glass as well as telecommunications, mining and housing projects in the Suez Canal zone.

Relations between the EEC and Egypt were covered, the communique continued, and "an enlarged and mutually satisfactory agreement linking the two countries should be achieved."

The final communique seemed in the opinion of many observers vague in detail, both in the exact nature of co-operation and in the location of industries mentioned. There is one aluminium plant in Egypt at Nag Hamadi, for example, and Egypt is considered to have insufficient power and water for a second one. Two key achievements of Franco - Egyptian co-operation, the recent Frs.350m. loan with a Frs.500m. line of credit and an agreement in principle to co-operate in building a 600 MW nuclear power station, came about before the visit.

The results of the visit are considered by observers not to have come up to Egyptian hopes. The grandly titled "Cairo Declaration" which Egyptian Foreign Minister Ismail Fahmy spoke of at the start of the visit, turned out to be a plain "declaration of friendship and co-operation," pledging "a strengthening of ties in mutual interest and co-operation in the spheres of culture, science and technology."

France's commitment to help Egypt establish its arms industry —Egypt's plans include the Arab military industry organisation capitalised at $1.04bn. by Qatar, Saudi Arabia, UAE and Egypt—produced no details, schedules, or figures. Arms sales were said not to have been discussed and there was no reference to the planned purchase by Egypt of France's Mirage F1 M 53 fighter bomber.

Egypt also received a blow to-day from Britain with news that Prime Minister Harold Wilson has postponed his visit to Egypt which had been scheduled for January. Diplomatic sources here said that Mr. Wilson's visit would be postponed because of a parliamentary debate on devolution. The visit had been expected to bring Egypt a step nearer to sales of the Anglo-French Jaguar fighter-bomber which was demonstrated last week in Saudi Arabia, who would pay for the plane.

State Department split on policy for Angola

BY DAVID BELL

WASHINGTON, Dec. 14.

A MAJOR dispute has been going on inside the State Department since the Spring about what approach the U.S. should be taking to the worsening situation in Angola.

According to reports this weekend Mr. Nathaniel Davis resigned as Assistant Secretary of State for African Affairs in August because he did not agree with Dr. Henry Kissinger's decision to increase covert arms shipments to FNLA and UNITA forces opposing the Soviet-backed MPLA.

State Department officials refused to comment on the report to-day, but one senior source said privately that the Department is deeply divided over Angola and that Mr. Davis' resignation "had quite a lot to do" with this split.

Dr. Kissinger is now engaged in a diplomatic effort to get all three Angola factions back to the negotiating table and he is trying to persuade the Soviet Union to support this attempt. These new disclosures will do little to strengthen his hand, but both he and Mr. William Colby, the director of the CIA, are said still to believe that peace talks are much more likely if the United States clearly show that it will not ignore any Soviet "show of force."

The reports suggest that Dr. Kissingers' decision to step up support for FNLA and UNITA came despite considerable opposition from many officials with long experience of African affairs. Since Mr. Davis's resignation there have been a number of staff changes in the bureau of African affairs which opposed Dr. Kissinger's policy and, according to the reports, orders have been issued restricting the supply of information on Angola to a very few senior officials.

LUSAKA, Dec. 14.

Reuter adds from Lusaka: The leader of UNITA has opened a major diplomatic offensive aimed at forming a Government of national unity diplomatic observers said here today. Dr. Jonas Savimbi was willing to enter unconditional talks with the rival Soviet-backed MPLA, the observers said.

Dr. Savimbi was due here to-night from Angola on his way to Kampala for talks with President Idi Amin of Uganda, chairman of the Organisation of African Unity (OAU).

Dr. Savimbi has expressed support for Field Marshal Amin's stand on the Angolan crisis. The Ugandan leader has said the OAU must adopt a policy which recognises the legitimacy of all three Angolan liberation movements. The third group is the Front for the National Liberation of Angola (FNLA).

Demand swells in Spain for total amnesty

BY ROGER MATTHEWS

MADRID, Dec. 14.

FRESH clashes between demonstrators and riot police broke out in Spain to-day on the eve of the first formal meeting of the new Government.

After to-morrow's Cabinet session, to be chaired by King Juan Carlos, the Prime Minister, Senor Carlos Arias, is scheduled to make a statement outlining the broad aims of Government policy.

As more professional and working-class organisations add their names to the growing list of groups demanding a full political amnesty, an estimated 2,000 people tried to stage a peaceful demonstration outside a jail near Bilbao. They were repulsed by heavily armed police in full riot equipment who several times charged the crowd, knocking people to the ground and making a number of arrests.

Aiding the police were members of the extreme Right Wing faction, the Guerillas of Christ the King, whom eye-witnesses said used clubs and whips to attack the demonstrators. During the three-months' state of emergency in the Basque provinces, earlier this year, the "Guerillas" were particularly active, mounting attacks on suspected regionalist sympathisers and their property. Despite over 80 admitted such incidents, no-one was ever arrected.

The Prime Minister is not likely to make any detailed announcement to-morrow, as the cabinet was only sworn in on Saturday. He said yesterday that the country had entered a moment of great historic importance that would contain both risks and dangers.

Senor Arias will probably confine himself to similar generalities and those of the sort made by the King in his first address to the nation.

The new Interior Minister, Senor Fraga Iribarne, said a few days before he was made a minister that the partial amnesty granted by the King should be seen as the last act of the old regime and not as the first act of the new one. This has raised hopes that with Senor Fraga now in a key Government position some way will be found of releasing far more than the estimated 15 per cent. of political prisoners who have so far been given their freedom.

Dutch train siege ends peacefully

By Michael Van Os

AMSTERDAM, Dec. 14.

THE 13-DAY siege of the Dutch train seized by young South Moluccans at Beilen, ended just after noon to-day when the six gunmen gave themselves up. The remaining 23 hostages were freed unharmed.

But in Amsterdam, the clearly-linked occupation of the Indonesian consulate by five South Moluccans of the same organisation entered its 11th day, though hopes were raised that here, too, there may soon be a break. An estimated 25 people are still being held here in the consulate.

The Beilen train hostage drama, in which three Dutchmen, including the train driver, were shot dead, ended after a successful mediation initiative by representatives of the South Moluccan community in Holland led by their self-styled president-in-exile, Dr. Johan Manusama.

A Justice Ministry spokesman said that considering the circumstances, and pending thorough physical and psycological examinations, the condition of the train hostages was "relatively reasonable."

The Dutch authorities in Beilen stressed this afternoon that they had not given it to any of the gunmen's demands, which were all political in nature. The men wanted the Dutch Government to help them to gain independence for their own South Moluccan republic, on the Indonesian-controlled Pacific islands, and organise a dialogue between the Indonesian authorities and Dr. Manusama.

At a Press conference in Beilen this afternoon, Justice Minister Andries van Agt, who had headed the operations, said the Government had succeeded in its two goals: the freeing of hostages uninjured and the arrest of the South Moluccans. "We had stated right from the first that none of the attackers would be allowed to leave the country as free persons," he added.

After the news of the Beilen shootings had spread in Holland, a few incidents involving the South Moluccan community gave rise to fears of a backlash against the community of around 35,000 refugees. But this has not happened, given numerous pleas from Ministers and the Moluccan community leaders.

Israeli living standards to be cut by 3%

BY L. DANIEL

JERUSALEM, Dec. 14.

BELT-TIGHTENING budget, designed to cut the average standard of living by more than three per cent. as a result in reductions in subsidies, a cutback in welfare payments, intrduction of 8 per cent. VAT and a slash in real terms of defence expenditure will to-day be presented by Finance Minister Y. Rabinowitz to the Cabinet here.

At just over £6,800m., the draft budget is 36 per cent. higher than that for the current fiscal year ending March 31 (plus supplementary). Of this total nearly £2,400bn. are earmarked for defence (almost 1,000bn. for defence imports and the remainder for the upkeep of the armed forces and local procurement).

The fall in the standard of living may be far greater since public housing is to be cut by half, and it is expected that private builders may follow suit.

Since construction has always been the key to employment in the Israeli economy, this slash may well cause unemployment. The intention is to divert this manpower to export industries and in this way to cut the balance of payments deficit by £250m. to £1.55bn.

The draft budget is likely to meet with strong opposition from the Ministers of Housing, Industry and Commerce, Welfare and Health. But both the Treasury and the Central Bank are determined to keep deficit financing at £200m. during the coming fiscal year.

The opinion is widely held—both among the right and parts of the left—that these measures are not adequate and that what the Israeli economy needs is a shock treatment.

Peres attacks Palestinian State plan

NEW YORK, Dec. 14.

ISRAELI Defence Minister Shimon Peres said to-day that the establishment of a Palestinian State on the borders of Jordan and Israel would pave the way for Soviet arms into the area and pose new dangers for Israel. Peres, who arrived on Saturday on an arms purchasing mission, said on television that such a state as a possible solution to the Palestinian problem would pose "real problems" for both Jordan and Israel, adding that such a state would be orientated on Soviet arms.

Peres reiterated Israel's opposition to any dealings with the Palestine Liberation Organisation and discounted the possibility that Israel would take part along with the PLO in the United Nations Security Council debate on the Middle East on January 12.

UPI

Farmers demo poses new threat to Lisbon regime

BY PAUL ELLMAN

RIO MAIOR, Dec. 14.

THOUSANDS of farmers massed in the market town to-day to pour scorn on the efforts by the Portuguese Government to appease their anger over Leftist-inspired land seizures.

Rio Maior, located 50 miles north of Lisbon, has come to symbolise the divide between the Conservative north of the country and the more radical areas to the south of the River Tagus, where the Agrarian reform programme has been used as the disguise for occupations of estates by agricultural workers

The farmers gathered here to-day were keen to point out that the reason for their wrath was the fact that the land grabs had begun to spread to the north of the Tagus, where farms are traditionally smaller than in the Alentejo region, which has been the scene of most occupations so far.

The rally demanded the removal of the Agriculture Minister, Dr. Antonio Lopes Cardoso, claiming that the programme of agrarian reform initiated by governments until now had been used to "ruin" small and medium-sized landholders.

In particular the farmers demanded an end to the points system which lies at the heart of the land reform programme. The system is based on a series of calculations taking in size of land worked and total turnover which the farmers claim penalises the most efficient.

"All the agrarian reform laws must be cancelled," a leader of the National Agricultural Union told the Financial Times. The farmers' call is likely to embarrass the sixth provisional Government which only yesterday announced that it would conduct a revision of all legislation relating to land seizures.

The Government, according to farmers' leaders, has not gone far enough

The Office World

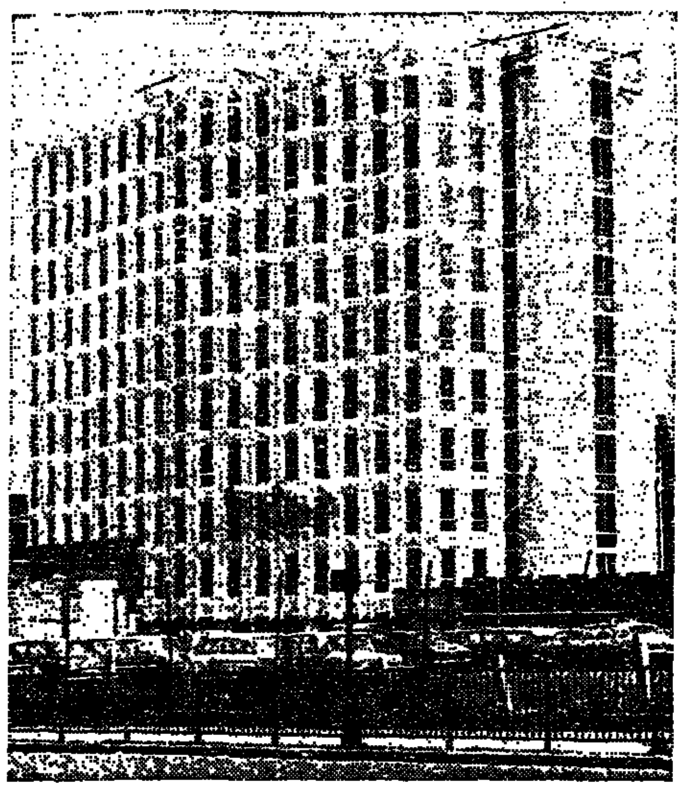
EDITED BY JAMES ENSOR

Bob Crew outlines an alternative to the traditional office which he calls

A patchwork of bad planning

Work tires employees. So, too, do the offices and buildings in which work is performed. For this reason, it is one of the objects of Integrated Environmental Design (IED) to ensure that a building functions in such a way that its occupants achieve maximum efficiency with the greatest ease and minimum fatigue. It is also the object of IED to achieve the least wasteful and most economic use of a building's energy and other resources, as well as its human resources, at an acceptable cost to investors and users.

What fatigues workers in offices and buildings is: too little or too much heat; too little or too much airconditioning; poor lighting: external and internal noise; glare from an excess of glass in windows and walls which contributes to headaches, eye-strain and inefficiency: back-ache induced by poorly designed chairs, desks and tables lacking in ergonomic principles; work-ache induced by, among other things, poorly designed, laid out and serviced buildings lacking in IED principles. What fatigues financial running costs of such buildings is: wasted energy: a lack of energy conservation, insulation, efficient services and economy.



Beagle House, Aldgate—London's first private IED building.

To quote a spokesman of the Electricity Council in London: "Many offices and factories provide working conditions that are far from ideal — glare from windows, uncontrollable draughts and indifferent standards of lighting are all too commonplace. Such buildings waste energy as they become overheated in summer and have excessive heat losses in winter.

The reason why it is difficult to achieve the object of IED is because so many buildings are the work of private developers and their architects who are more concerned with their profits and fees than the functional needs of users. It's not only old and existing buildings in which there is a shortage of IED. Because we are blind to the lessons of the past, we still continue to develop new catastrophies that ignore IED principles.

The people to whom IED is more readily acceptable are the owner-occupiers because they, unlike private developers, are left to deal with a building's needs and problems on a daily basis. Owner-occupier IED buildings in Britain include Kalamazoo in Birmingham, Liverpool Daily Post and Echo in Liverpool, the old Georgian office building of Scottish Equitable in St. Andrews Square, Edinburgh, the new IPC Building in Glasgow, the Barclay's Bank International Building at Poole, the new Civic Centre at Reading, the British Airways Building at London Airport and numerous electricity generating board offices.

It is 20 years since the development of IED started in this country when, in the middle fifties, the emergence of giant glass windows and so-called curtain walls in office buildings created internal problems of overheating, glare, cold, external noise which thin-grade glass could not keep out, and a massive invasion of visual privacy.

Running costs

To rectify many of the ills of the prestigious new glass buildings, users and owner-occupiers spent substantial sums of money and became alarmed by the excessive and wasteful running costs involved. At this point the Government stepped in and commissioned the Department of Building Sciences at Newcastle University to research the performance of buildings and their effect on the internal environment: to raise the questions, "What are buildings for?" and "How can they be designed to fulfil their function efficiently at minimum cost?"

It soon became clear that a new fundamental approach would be necessary, particularly by the private developers who were traditionally the most resistant to IED. That was some twenty years ago. Last year, London's first IED building by a private developer was occupied by Overseas Containers Ltd. at Beagle House, Aldgate. This new £2m. project became the headquarters of OCL. Developed and owned by Town and City Properties Ltd., it is claimed to be one of the most advanced IED buildings in the country, if not in Europe.

When OCL decided to commission an IED building, it made a study of contemporary buildings — including the Civil Service Building at Kew Gardens noted for its "office landscaping" and the famous City Nord building in Hamburg, and it researched the concept of IED in depth, aided by the Electricity Council in London. It came to the conclusion that their were awkward corporate and individual-worker interests that were difficult to reconcile and that it was all to easy and convenient, therefore, to separate the human element from the architecture, ignoring the problems of the former.

The internal environment of the OCL building was designed as a single, integrated exercise instead of, as is often the case, a patchwork of separate, badly planned and uncoordinated exercises. Incidental heat-gains which would normally be lost or wasted—from lights, people's natural body-warmth, computer, air-conditioning and office machines —were recovered and recirculated as the building's only heat source, without the aid of any other independent source of energy.

Windows—which account for 25 per cent. of the building's external walls—were double glazed and their glare reduced by long specially coloured walls with light deflection in mind and bathed in evenly distributed delicate shafts of electric light from fittings running parallel to the walls.

Pastel colours

Seven of ten floors at Beagle House—which have their own separate colour schemes and identity—are served by rest rooms and refreshment facilities. Light pastel colours are used throughout the building to dissolve reflection from the electric lights in the ceiling. False acoustic ceilings conceal overhead chambers for warm-air recovery and accommodation of service equipment and ducting.

Ceiling panels are sound absorbing, as are floors that are carpet-tiled, and windows that are double-glazed. Thus there is a proper acoustic balance and little noise. Because most areas are open-plan with high thermal capacity and low conductivity, they are ideal for heat-recovery air-conditioning, which is thermostatically controlled throughout the building.

Air is drawn from office areas through recessed fluorescent-light fittings and, in winter, the building recovers up to 75 per cent. of its own waste heat. Low-brightness "natural" electric lights are used to blend with available daylight and they are specially designed to provide uniform illumination.

GESTETNER

A predetermined course

BY ROY LEVINE

GESTETNER, the world's largest producer of stencil duplicating machines, could have a shortfall of £1m. on profits for the year ended November 2, according to stockbrokers Scott Goff. If they are right it will be only the third time since 1928 that Gestetner has not shown an increase in profits and a blot on what is generally recognised as a model of steadily increasing sales and profits over a period spanning nearly 100 years.

It was in 1881 that Mr. David Gestetner (grandfather of the present joint chairmen, David and Jonathan) began selling his invention of one of the first stencil duplicators. By coincidence six years later and across the Atlantic, A. B. Dick started a similar operation to become one of its main competitors in the world's markets.

Family control

The history and success of both ventures is well known. Under family control, Gestetner applied a single-minded approach to the market which has made it pre-eminent in its field. Its formula of quality, service and competitive prices together with its unequalled selling organisation (1,300 branches in 130 countries) has brought great prosperity.

"Over 200m. copies a day are made on our stencil duplicators," boasts David Gestetner, the present joint chairman, who estimates that between 50 and 60 per cent. of the world's stencil machines in use were made by his group.

Over the years while many of its competitors boasted bigger and better stencil and offset duplicators, Gestetner stuck to its more mundane market. The momentum was kept going by introducing new machines every five or six years with modest improvements. That helped maintain the group's high margins, too, as did the more profitable supplies side which now accounts for over half total turnover at £140m.

One reason that Gestetner has faced little competition is its concentration on the lower end of the duplicating market. Despite many gloomy forecasts, demand in this sector from schools, churches, clubs, small companies has refused to die.

In times of deep recession, this singlemindedness has become a strength—demand in the middle price sector has been falling because some companies have been trading down. Stencil machines sales in October, for instance, were the highest on record. So even if Gestetner's profits do fall, they will not fall as much as its competitors (Rotaprint recently reported a 70 per cent. drop in its first half profits).

But even David Gestetner recognises that the October boost may be a fluke. Once again there are doom-mongers in the stencil business and this time they may be right. Forecasts vary from negative growth to 5 per cent. annual growth over the next five years—after which the picture is expected to worsen. About 70 per cent. of the group's revenues are from this sector, so what should David Gestetner be doing to diversify?

There are three parts to this answer: to what extent Gestetner can reap further profits from the stencil market; its diversification into offset and copiers; and whether it ought to diversify into new markets.

Firstly, David Gestetner does not accept the forecasts of a waning stencil market. There is still scope, he argues, for new sales in developing countries and in the education sectors of all countries. He expects to increase his group's market shares, as others fall out, and anticipates an impetus from innovations such as scanners (that make it easier to producer masters), faster drying ink and smoother paper. These factors, he says, will create a growth rate of between 5 and 10 per cent. a year, so providing a solid base for the group.

Secondly he has begun to take his group into aligned markets. By developing a new series of competitive offset machines, he reckons to have already captured between 20 and 30 per cent. of the fast growing market in some Continental countries.

Once again the emphasis is on the low cost market. But this time there may not be lack of competition. Rank Xerox has launched the Xerox 9200 aimed at the in-plant printing shops of large companies and governments for short-run, fast-turnaround duplicating work. It is estimated that Xerox has spent over £150m. developing this system which could generate annual sales of over £500m. a year by 1980, to become its chief profit contributor.

This is a frightening thought for everyone else in the duplicating business and there is still an argument about whether Xerox's revenues will be at the expense of all others or whether the 9200 is creating a new market.

Co-existence

Mr. Brian Nicholson, director of operations at Rank Xerox (U.K.), says, "We aim for co-existence with the offset market and not confrontation. In some situations, an offset machine can stand alongside the 9200." But behind that cautious comment lies a strong marketing push.

Five years ago Gestetner did have its FB 12 copier on the drawing board in a joint venture with Office and Electronic Machines (which subsequently sold its 40 per cent. stake for £¾m.). But it has taken a long time to mature.

It is too early for the FB 12 to have had any impact on the market or Gestetner's earnings, but David Gestetner has some ambitious hopes for it and the family of plain paper copiers it will spawn. "If we take 10 per cent. of Rank Xerox's profits of around £400m. it will treble our present profits. Naturally it will take time and we will not hurry to get there."

Competition between the two groups is likely to increas[e]. Rank Xerox has alread[y] announced it is to sell its pr[o]ducts in the U.K. from ne[xt] year (anticipating the Monop[o]lies' Commission report d[ue] soon) and its 914 copier cou[ld] make some inroads in[to] Gestetner's territory.

Gestetner is also diversifyi[ng] —with the purchase of R[ex] Rotary. The rationale for thi[s] as David Gestetner points ou[t] was that Rex Rotary is a maj[or] European manufacturer [of] duplicating machines and phot[o]copiers—which has raised t[he] group's market shares, main[ly] in the important U.S. marke[t].

Over the short-term, it is ea[sy] to draw a scenario of sustaine[d] profits growth at Gestetner, fo[r]getting the hiccough caused [by] the current economic recessio[n]. The offset market is growi[ng] at around 20 per cent. a yea[r], copiers by perhaps 10-15 p[er] cent. However, both the[se] areas are becoming intense[ly] competitive and it is quite po[s]sible that while the machi[ne] populations will continue [to] grow, market values will ri[se] less rapidly, reflecting pri[ce] cuts (as we saw this year [in] the U.S. market). The scen[e] in five or ten years time cou[ld] be very different; then bo[th] markets may have reache[d] saturation. So should Gestetn[er] diversify into a new marke[t]?

Precedents

There are certainly sufficie[nt] recent precedents. Xerox h[as] entered the much vaunted ed[it]ing typewriter market and [so] has A. B. Dick. Both A. [B.] Dick and Addressograph Mul[ti]graph (AM) have diversifie[d] into the fast-growing micr[o]graphics industry—in thre[e] years revenue from this sour[ce] at AM has risen seven-fold [to] £7m.

It can be argued that divers[i]fication dilutes profitabilit[y]. Gestetner, which has stuck to t[he] market it knows, earns mo[re] than twice as much profit as [A.] B. Dick or AM on fairly simil[ar] turnover figures.

Rank Xerox, which has unt[il] recently adopted a similar stan[ce] to Gestetner, earns as much [as] its U.S. parent Xerox Corpor[a]tion on a quarter of Xerox turnover.

Gestetner has perhaps be[en] fortunate not to diversify. Th[is] was partly because of the inna[te] conservatism of a group that [is] controlled and managed by [a] family, now in its third genera[tion]. David Gestetner sticks t[o] this policy. "We intend to co[n]centrate on those markets w[e] know best," he says.

He rejects the idea of goi[ng] into an unrelated field li[ke] editing typewriters, but has [a] cautious welcome for facsim[ile] transmission another grow[th] area where there is at least so[me] similarity of technology w[ith] the group's scanning processo[rs].

Gestetner is essentially in t[he] office printing business and t[his] is where it intends to st[ay]. According to one British co[m]petitor, "Gestetner is on a p[re]determined course."

Private network debate grows

BY CHRISTOPHER LORENZ

ONE OF the most controversial issues in the world of office communications—the pros and cons of private networks—is to be debated next month at the Institution of Electrical Engineers.

If one thing has raised the subject into the public eye, it is the Post Office's warning last month that it will not be able to continue offering five-year fixed-term contracts on the telephone lines it leases to business users for their exclusive use—the so-called "private wires."

Differential

Communications managers were also concerned to hear from Mr. F. G. Philips, marketing director of P.O. Telecommunications, that the differential between private wire rentals and use of the public telephone network will again be changed in the foreseeable future. It was only in October that private wire rates were held static as public charges were raised; in April the differential had been narrowed by a sharper increase on private wires than on public tariffs.

The conference—to be held at the IEE's headquarters at Savoy Place in London on January 19 at 5.30—is likely to hear renewed calls for the differential to be stabilised. The Telecommunications Managers Division (TMD) of the Institute of Administrative Management warned late in November that the maintenance of differentials —including between such equipment as automatic versus manual private exchanges—"is vitally important to the customer who has made a large investment in equipment, under one set of relativities, and who may subsequently find the investment totally non-economic." some of the TMD's members claim an investment of over £1m. in a private network (including lines leased from the P.O. and privately-owned exchange equipment) could be made unviable by such changes.

Another problem likely to receive coverage is the allegedly over-expensive and old-fashioned relays currently available from the P.O. for use on private lines; there has been a growing wellhead of pressure to approve a U.S.-designed system now on offer from a private supplier, Wescom.

One of the factors behind TMD's demand for stable differentials—and the call for more detailed P.O. accounts—is the allegation of some business users that the business customer is subsidising the domestic subscriber, since private wires, trunk calls and telex—three of the P.O.'s most profitable sectors—are all mainly or entirely paid for by the business user.

LABOUR NEWS

Modernise paper mills, says union

By Our Labour Correspondent

A NATIONAL CAMPAIGN urging modernisation of the papermaking industry is being launched to-day by the Society of Graphical and Allied Trades.

In a booklet, Save Our Industry, published to-day SOGAT, the industry's largest trade union, says that between 1967 and 1975 over 20,000 workers have been made redundant, more than 30 paper and board mills closed and over 100 papermaking machines were silenced.

Meanwhile, says SOGAT, paper imports have increased dramatically. Since 1963 the percentage of home newsprint consumption that has been imported has increased from 49 per cent. to 78 per cent. Printing and writing paper imports have increased from 5 per cent. to 33 per cent., and total paper imports from 30 per cent. to 50 per cent.

The union wants a "programme of action to protect the industry during the present recession" and to re-equip and restructure it for long-term expansion.

Measures it seeks include reduced imports of paper and board; reduction in duty-free quotas negotiated under arrangements with the EEC; greater use of waste paper by de-inking and recycling processes, and encouragement of forestry to provide more pulp for papermaking.

It also calls for lightening of the costs of water usage and purification; lower taxation on fuel and oil; and Government assistance to increase investment in new equipment and machinery.

Building workers face pay call rebuff

BY CHRISTIAN TYLER, LABOUR STAFF

BUILDING EMPLOYERS are expected to dig in their heels when they meet trade unions for pay talks affecting 800,000 workers this week.

To many in the industry, the unions' claim for a £6 a week rise "forthwith" is a straight breach of the pay policy's 12-month rule.

At Thursday's meeting of the Building and Civil Engineering Joint Board, the employers' negotiators are expected to say that they cannot afford to pay £6 because of the industry's recession; and they are also expected to argue that to pay now would break the Government's pay policy.

The second half of this reply will be intended, in part at least, to embarrass the unions, and in particular the Transport and General Workers' Union, whose general secretary, Mr. Jack Jones, has been the main architect of the policy on the TUC side.

The TGWU's building industry officials showed no hesitation in helping draw up the unions' joint claim.

They, and leaders of the other principal union — the Union of Construction and Allied Trades and Technicians (UCATT)—have a complicated justification for entering this claim now, even though the employers have indicated they will pay no money before next June. The unions also believe the claim can be justified within the pay policy.

They point out that although the last increase on minimum earnings was in June this year, the principal rise of the two-stage agreement came in January. Furthermore, that January increase itself was late, since the previous agreement had expired in November 1974, and, as is customary, there was no back-dating of the award.

They argue too that they are merely employing a re-opener clause in the existing agreement which allows them to come back for more within the life of the agreement when inflation has eroded the value of the settlement.

This means, they say, that they qualify for £6 now, even if they have to forgo any further increase until the pay policy expires next August.

Level

The £6 claimed, they add, is the amount needed to restore minimum earnings to their "right" level in real terms. It is coincidental, they say, that the £6 is the same figure as the pay policy ceiling.

If, as seems likely, the employers simply ignore these arguments on Thursday and insist there will be no money before next June, the unions will not be unduly surprised. But if the employers offer an increase before June, the Government could well find itself intervening.

Sea union acts on Asian jobs

By Our Labour Correspondent

SEAMEN'S leaders have decided against supporting their employers' moves for exemption of the industry from certain sections of the Government's proposed legislation on race relations covering the pay of Asian seamen employed on British merchant vessels.

The decision, taken by the executive of the National Union of Seamen, is seen more as a bid to safeguard the jobs of British seamen rather than an effort to help their Asian colleagues.

The employers, the General Council of British Shipping, feel that without exemption from certain key clauses in the proposed legislation set out recently in the Government's White Paper on Racial Discrimination, their annual wages bill will soar.

This is because the 22,000-or-so Asian seamen employed on British ships receive only about £32-£33 a month compared with the £40 a week enjoyed by the average British foreign-going able seaman.

The NUS has long been opposed to the use of cheap Asian labour and the opposition has no doubt been hardened by the fact that unemployment among Britain's 40,000 Merchant Navy seamen has doubled over the past year.

SELL-OUT WIDELY EXPECTED FOR NEW HOLDING COMPANY

The 'Daimler-Benz shares' offer

BY NICHOLAS COLCHESTER

BONN, Dec. 14.

THE PUBLIC are to be offered 2m. shares in Mercedes-Automobil-Holding AG, a newly formed company whose only assets will be a 25.23 per cent. stake in Daimler-Benz, the West German company which could this year overtake Volkswagen to become the largest motor company in Europe.

The shares will constitute one-third of the equity of the new holding company and each one will be essentially equivalent to a share in Daimler-Benz itself. The shares will be priced at DM305 each, or about DM40 below the going market price for Daimler shares. Because of this and because Daimler Benz has, despite its global interests, shrugged off a world recession and made 1975 a record year, it is widely expected that the issue will be a sell-out.

The prospectus for the offering and an extensive interim report that Daimler normally puts out at this time of year quantify the company's success. World turnover is expected to climb from DM17bn. to DM20.2bn. (£3.8bn.) of which 54 per cent. will be outside West Germany. This makes the company more than twice the size of British Leyland.

The parent company's profit is expected to equal or slightly exceed the record DM277m. after tax reported for 1973. As a result, it is expected that the company will pay a dividend for 1975 of 16 per cent.—1 per cent. more than last year. Holders of the new Mercedes shares will receive their first dividend for the year 1976.

The turnover of the world group breaks down into three components. Turnover within West Germany will be DM9bn. in 1975 (DM7.2bn. last year). Exported turnover of the home based companies will be DM7.6bn. (DM7bn.). Sales of Daimler-Benz's overseas subsidiaries will be DM3.2bn. (DM2.22bn.).

The world group will produce 228,000 commercial vehicles and lorries this year, of which some 50,000 will have been made overseas. This represents an 11 per cent. increase in overall output on 1974. Domestic commercial vehicle production will total 178,400, 10 per cent. more than last year and 180 per cent. more than in 1965. The most remarkable production increase this year in the German operations will have been in the making of heavy lorries where output will total 53,700 against 34,800 last year.

Impressive

These last figures are really the clue to the company's success this year, for they reflect an impressive flow of orders for lorries from Middle Eastern countries—and for high value lorries at that. These orders substantially altered the pattern of Daimler-Benz's business this year with commercial vehicle sales rising to 51 per cent. from 47 per cent. of its turnover throughout the world while the car's share fell from 45 per cent. to 42 per cent.

At home, it was the car business which provided growth, with a marked rise in the production of Mercedes' smaller cars more than compensating for the drop in output of more opulent models. Overall production this year will have been 349,300 cars of which 263,000 will have been in the so-called "middle class." The production total will be 2.7 per cent. over last year's and exactly twice the output 10 years ago.

In the prospectus, Daimler-Benz's management explain that their formula for success has been to expand production steadily with an eye firmly on the long-term development of the market, rather than attempt to keep up with sudden peaks in demand. The waiting lists within have sometimes developed have cushioned Daimler from swings in the economic cycle, but the underlying expansion has always been there.

Looking ahead, Daimler-Benz is reckoning on a 5 per cent. annual increase in German car usage (Person - Kilometres) between 1970 and 1985, compared with an 8.5 per cent. growth rate between 1960 and 1970. This means that the number of cars in Germany should climb by another 6m. to about 23m. sometime between 1985 and 1990. This, in turn, implies German new car sales running without much growth at a rate of 2m. a year. Daimler must therefore concentrate on winning a greater market share if it is to continue to grow.

On the commercial vehicle side, Daimler-Benz is aware that this year's Middle Eastern boom will probably not be repeated, so the company will continue to cultivate its traditional European market assiduously and to look for new markets worldwide. It sees increasing growth potential in the Third World but is under no illusions that it will be easy to supply these new markets from West Germany. Because foreign countries are increasingly keen on domestic manufacture, Daimler-Benz will pursue a policy of local assembly and construction, strengthening the trading links with German Daimler-Benz through the export of parts and of construction kits.

Big reserves

Daimler-Benz's financial position is impressive. The parent company's entire productive investment is virtually covered by share capital plus reserves totalling DM2.086bn. (share capital DM1.189bn. at the end of 1974). There is no bank debt and external long term credit at the end of last year amounted to DM214m. The company invested DM6bn. between 1965 and 1974 and this was financed only by depreciation and increase in reserves.

These are the statistics behind what promises to be a remarkable issue. The shares have become available because Deutsche Bank agreed to buy them a year ago from the Flick industrial dynasty to prevent their being sold to Iran. The final line up of shareholders in Daimler-Benz will be: Mercedes Automobil-holding (to be owned by public and institutions)—25 per cent.; Deutsche Bank—28.5 per cent.; Kuwait—14 per cent.; and Flick—10 per cent.; with the rest in private hands or industrial portfolios.

BSC cost-cutting plans opposed

BY OUR LABOUR CORRESPONDENT

OPPOSITION to the British Steel Corporation's plans to cut costs, by suspending the industry's guaranteed working week agreement and closing inefficient plants, built up at the week-end in Scotland, Corby and Shotton.

The Scottish TUC general council decided yesterday to campaign for present manning levels to be maintained by building up steel stockpiles ready for an upsurge in demand.

The council, meeting in Glasgow, thought it "madness to apply a policy which could leave us at the mercy of foreign steel industries."

Apart from the "catastrophic effects" on employment and earnings, "there will be a serious shortfall in ability to meet the needs of the economy when the anticipated upsurge in economic activity takes place."

Meanwhile, at Corby, Northants, Iron and Steel Trades Confederation representatives of some 7,500 steelworkers, declared they would not accept the suspension of the guaranteed working week or cuts in earnings.

In North Wales, the Shotton steel works action committee yesterday urged the TUC steel committee to call a special delegate conference to discuss how best to oppose BSC's plans.

Investment in leaseholds urged by Tory planners

BY JAMES McDONALD

AN ANNUAL investment of £1.5bn. of institutional funds—aimed at producing 100,000 leasehold homes a year to rent—is recommended to-day by two Conservative housing experts. The scheme, they claim, would restore freedom of choice in the private rented sector and would "banish scarcity from the housing arena within five years."

The writers of the Conservative Political Centre pamphlet, Mr. John Haddle and Mr. Vivian Linacre, express support for home-ownership but argue that the frustrations of the council house waiting list "have driven away many home-seekers into house purchase when their circumstances did not warrant such commitment."

Perhaps one-third of the entire population, say the authors, would like the choice of renting their own homes. A fraction of the investment proposed, if diverted into the building of homes for sale, would precipitate a mortgage famine or a house-price spiral.

In leasehold development, however, it could only serve to bring demand and supply into equilibrium and establish a truly economic and fair level of rents.

While the leasehold basis excluded any gratuitous capital gain, the occupier, as lessee, would enjoy an equitable interest and have the right to assign for a premium or sub-let at a profit.

The authors of the pamphlet maintain that this new housing sector would provide a useful medium to property bonds and unit trusts for stimulating direct public savings as a supplement to large-scale institutional investment.

A New Lease of Life: A solution to Rent Control — Conservative Political Centre, 32, Smith Square, London SW1P. 40p.

Public Works Loan Board 'a safety net'

BY DONALD MACLEAN

THE PUBLIC Works Loan Board is the "crucial safety net" for all local authority debts, Phillips and Drew, the stockbrokers, say in a report on local authority financing and loan security.

The report, prepared against the background of the financial problems recently encountered by New York City, suggests that an explicit Government guarantee is not likely to be introduced for loans to local authorities, but argues that nothing has appeared to bring into question the determination of the Government to ensure that "loans made in future to local authorities will be just as secure as they have always been in the past."

No local authority, it is said, "has defaulted and the receivership procedure is therefore untested, and indeed most unlikely to be tested. This is not just because of the responsible behaviour of local authority treasurers; the principal reason is that a much more effective safety net for local authorities, and hence for lenders to local authorities, exists in the shape of the Public Works Loan Board."

The two traditional methods of lending by the PWLB—quota loans and non-quota "A" loans—have now been complemented, Phillips and Drew points out, by the "potentially highly significant" category of non-quota "B" loans.

Aluminium trade hopeful

BY RHYS DAVID

THE ALUMINIUM industry, which has suffered most of this year from the poor levels of demand in customer industries such as building, vehicles and packaging, worked at a much higher level of activity in October, figures published by the Aluminium Federation show.

With customers evidently beginning to restock, even if only on a limited scale, dispatches of primary aluminium, rolled products and extrusions all showed substantial increases over recent months.

Primary aluminium dispatches totalled 47,626 tonnes, including exports—the highest level this year—and some 12,000 tonnes up on the 35,251 tonnes total in September. In the first ten months of the year as a whole dispatches have run at about 36,000 tonnes a month.

Dispatches of rolled products—plate sheet and strip—totalled 17,339 tonnes, again the highest total this year and more than 1,000 tonnes up on the September figure. The monthly average so far this year has been about 15,000 tonnes, compared with about 20,000 tonnes a month last year.

Dispatches of extrusions at 15,330 tonnes, compared with 14,747 tonnes in September, were at their best level since October last year. Monthly dispatches have averaged 13,000 tonnes this year compared with about 16,000 tonnes last year.

The U.K. smelters were also operating at higher production levels in October. Output, 26,792 tonnes, was the second highest total since the three smelters began production four years ago.

TREE FILMS (U.K.)

In the report "Cash ultimatum for film market" it was inadvertently stated that Tree Films (U.K.) was the producer of The New Spartans. It was, in fact, the sales agent.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Advances in printing

NOVEL solutions to the problem of printing fabric blends have been developed by ICI Organics Division.

Dispersol Procion PC Dye System is for the printing of polyester cellulose (PC) fabrics, and makes possible manufacture of printed fabrics which retain clear whites and bright colours together with soft handle and ability to withstand repeated washing and wearing.

A new chemical class of disperse dyes has been developed specifically formulated for use in printing polyester/cotton and polyester/viscose fabrics.

Packages of paired Dispersol PC dyes for the polyester content and Procion PC dyes for the cellulosic component are provided in seven basic shades. An extensive colour range is being built up.

Processing of fabrics with the new system does not call for any modification to standard dye printing technology. The company says a full evaluation has been carried out in extensive trials, and demonstrations have already been given to leading textile companies in the U.K., Germany, France, Holland and Italy. Retail organisations in the U.K. have also taken part.

Several U.K. companies have placed orders and hope to have the first textiles with the new brighter printing on the market before the end of next year. At present textile designers are evaluating the increased flexibility the new system will give them in printing on PC fabrics.

There are two current methods of PC printing, neither completely satisfactory. Pigment printing is technically simple, and cheap, but the fabric soils easily and the colour wears off. It has been mostly used for small isolated motifs.

Using disperse and reactive dyes improves the wash and wear properties, but the white areas are tinted and coloured parts are dull.

ICI says its new method will cost about the same as disperse dye printing and more than pigment printing.

Of all the fabrics used in textiles, polyester/cotton blends are particularly important for dress goods, including shirtings, dress-wear, night-wear and sports-wear, but choice has been restricted because of the printing difficulties.

ICI is confident that its discovery will enable styles currently produced on all-cotton or all-viscose materials, to be extended to polyester/cellulose fabrics.

As well as breaking new ground in PC printing, the Dispersol dyes are suitable for printing polyester fibre by itself, and, in some instances, cellulose triacetate materials. In all these cases, says the company, marked advantages in initial washing-off properties are maintained over conventional disperse dyes.

More details from ICI Organics Division, Hexagon House, Blackley, Manchester M9 3DA (061-740 1460).

New spindle on trial

MOST TEXTURED filament yarns are produced on what are known as false-twist machines which operate on the basis of the yarn being taken over a rotating pin and given an 'S' twist on one side and a 'Z' twist of similar magnitude on the other. Without heat the yarn would be unaffected.

By heat-setting the yarn on the feed side the counter-twist puts into the yarn a considerable amount of stretch and this provides the basis for both stretch yarns, as used in stockings and socks, and the set yarns that are widely used by knitters of jersey fabrics and, more recently, by weavers.

Nearly all machines operate with pin-twisting spindles which are small tubes that rotate at very high speeds. Across the tube is positioned a sapphire, or some other friction-resistant material, and the yarn is taken round this.

Most machines run at maximum speeds of between 600,000 and 800,000 rpm and slowly the industry is trying to circumvent the limitations imposed by the speeds by the user of so-called friction heads.

However, a Japanese company has developed a type of spindle which is supported in an air-bearing and which is capable of industrial operation at speeds up to 1,250,000 rpm. The company that has introduced this spindle is Murata Machinery. (British agent: Marubeni Corp., 3, Warren Road, Manchester 17. Tel. 061 872 3551.) It is being fitted to the type 333 'Mach-Crimper' a new type of draw-texturising machine which was introduced by the company earlier this year.

Assuming this new type spindle performs with satisfaction in the trade it could very well substantially extend the life of pin-twisting which at the moment looks as though it will be replaced by friction twisting.

● COMMUNICATIONS

Fast digits instead of speech

EQUIPMENT shown recently in London by Pye Telecommunications will allow the police, emergency services and others operating fleets of vehicles to speed up "standard message" transmission and keep their VHF/UHF radio channels free for non-standard — and usually more vital — information.

Standard messages such as "need assistance," "have left vehicle," "am engaged in task x" and many others according to the nature of the fleet, can be sent from the vehicle by two digits with agreed pre-determined meaning.

With the aid of a minicomputer at the control point, the data can be stored, listed and otherwise displayed to suit the controller. For example, vehicles engaged in a task can be separately listed from those simply in transit and those not within a particular area (drivers can also key in their location using allocated pairs of the digits).

The system transmits data as tone bursts in the audio band-width 200-2000 Hz at a rate of either 600 or 1200 bits/sec. The microphone is inhibited while data is being sent.

Pye has also been demonstrating its latest generation of Pocketfone personal radio, the principal advantages of which include improved ruggedness and reliability, reduced size and weight and the ability to run from a single cell.

Transmitter and receiver are separate, each in a polycarbonate case measuring 130 x 55 x 20 mm and weighing 171 and 212 gms respectively. The units occupy about half the volume of the company's previous PF1 model.

There are no aerials to be extended—they are suppressed within the case. The units are also designed so that channels can be quickly changed by unplugging a frequency cube about the size of a sugar knob and inserting another. Sixty channels are available, with 25 kHz spacing. These units have now reached the size and weight where they can genuinely be carried in a top pocket.

● COMPONENTS

Diode is robust

SILICON rectifiers in which the leads are brazed via molybdenum discs to the chip and the entire assembly encapsulated in a specially developed glass have been introduced by General Instruments.

The glass has a coefficient of expansion identical to that of the silicon so that a perfect hermetic seal is formed and cracking of the glass due to local heat expansion has been eliminated. It is also alkali-ion free, eliminating corrosion, and opaque, removing the possibility of performance deterioration due to effects of light.

A further bonus is that the high temperature characteristics of the glass are superior to formulations normally used for encapsulation. The plastic body of the new GP series is moulded from a flame retardant epoxy.

GI states that the rectifier has been subjected to tests normally applied to military devices including pressure cooking, moisture resistance, vibration and mechanical strength tests. Over 1½m. test hours produced a failure rate of 0.29 per cent. at 90 per cent. confidence level. Initial availability is with peak inverse voltages between 50 and 1,000V at average forward current of 1.0 A. More from the company at Cock Lane, High Wycombe, Bucks. (0494 27856).

Capacitors cannot harm nature

CAPACITORS impregnated with poly-chlorinated biphenyl (PCB) which are in general use to-day, have been banned in some parts of the world, and in others strict disposal methods have been enforced to guard against possible damage to plant and animal life.

Dubilier Electronics has developed a range of capacitors known as Bionol which overcomes this problem, being free from the hazards of PCB types. The design provides dimensional compatibility with units impregnated with poly-chlorinated biphenyl. The capacitor element is wound with low loss dielectric and high purity aluminium foil electrodes and is vacuum impregnated with a different fluid, the units being housed in aluminium or steel cases.

The company is understandably reticent about the new impregnant used. However, it appears to be a modified phthalic ester.

The capacitance range is wide, standard up to 20uF at tolerances of ±10 per cent. and ±6 per cent. The voltage ranges extend to 11kV ac or 30kV dc and the standard voltage types available are 440V ac and 660V ac, other ratings being supplied to order.

Operating temperature range is from minus 40 deg. C to plus 85 deg. C. Standard types are for 50/60Hz operation; however, the low loss system allows operation up to high frequencies.

Dubilier is at POB 11, Ashcroft Road, Kirkby Industrial Estate, Liverpool L33 7TR. 051 547 2606.

● ELECTRONICS

Precise voltage

FOLLOWING THE recent introduction of the 8 bit dual mode A/D converter ZN425E, the electronic components division of Ferranti is making a low cost, precise 1.26 volt reference source integrated circuit, the ZN423T for application in a range of stabilised power supplies, A/D converters and instruments.

Low output voltage also makes the device ideal for use in applications requiring battery powered operation.

The devices are encapsulated in a 2-pin TO18 package and have a very low slope impedance of 0.5 ohm and a low temperature coefficient of 100p.p.m./°C. They will operate over the industrial temperature range of 0°C to +70°C. A military temperature range version will be available shortly.

Samples are available from Electronic Components Division, Ferranti, Jem Mill, Chadderton, Oldham, Lancs. (061-624 0515).

Shows bids in other currencies

USEFUL for those conducting auction sales where foreign bidders may be present is a multi-currency bid indicator system designed by CTH Electronics, Somersham Road, St. Ives, Huntingdonshire PE17 4LE (0480 64388).

An installation, thought to be the first of its kind, has already been made at Goff's new £1.8m. bloodstock sales premises at Kill near Dublin.

Equipment consists of a key-board operated control unit with miniature displays, two indoor multi-currency indicator boards (also showing the lot number, veterinary certification and a "barren/in foal" sign, together with an outdoor display showing the lot number.

The keyed-in bid price is displayed in guineas and also in French francs, U.S. dollars and yen. Currency conversion rates are easily pre-set. Conversions can be arranged for one or any number of currencies.

Connection from the control desk to the various displays is by domestic TV coaxial cable.

● HEATING

Compact boiler saves fuel

SUBSTANTIAL fuel savings faster production of hot w: are the claims made for a type of boiler-cylinder marke by R. Tomlinson (Boile Aberford, W. Yorks. (Aberf 305). The design enables relatively small boiler to duce a high output of h

The system is intended for building where there is requirement for large quanti of hot water at short notice.: with minimum storage—hot boarding houses. hospit launderettes, residential blc or industrial premises. As i a closed system it can be u in low-roofed buildings wher head of water might be a pi lem. A range of thermal ca cities and take-off options available.

Originators of the system w HS Boilers, of Tarm, Denm: The unit is a combination which boiler, cylinder and internal heating coil are suppl as an internal assembly.

The boiler encases a remova stainless steel cylinder. There no intermediary pipework connect, so less floor space required. There are only th external connections — c feed, hot flow and return. H is transferred directly from water in the boiler via cylinder walls to the domes water inside the cylinder.

Inside the cylinder is a he ing coil (also in stainless stee The coil is part of a closed cuit, receiving hot water fr the boiler and returning it rehealing. The domestic water the cylinder is heated two w: at once — from outside a inside — and it is claimed fast that there is simply no ne for high volume hot wat storage.

A water cooled base allows t unit to sit directly on the flo To avoid turbulence in the co: bustion chamber through adver flue conditions, the internal l: out is designed to create a slig back pressure within t chamber.

Boilers can be supplied wi heat outputs from 50,000 700,000 btu.

● PROCESSES

Large prints from small machine

FIRST OF a new breed of GAF machines being designed and built in the United Kingdom is the GAF 1549 which produces dry prints ready for immediate use both in large print rooms needing extra capacity and in small units with limited requirements and installation space.

Ductless, odourless, relatively quiet, of small dimensions and operating from normal electrical supply, it can be sited virtually anywhere, either on its own stand or on any convenient working surface.

A new light source of four 140 watt spectrum-intensified fluorescent lamps ensures even exposure at speeds up to 6m./min. (20ft./min.) with excellent latitude for all types of material.

Flat, fully developed prints are produced by double-sided application of the developer, which is self-draining. An integral flat-bed dryer can be manually controlled to meet individual requirements and local conditions

GAF is at PO Box 70, Blackthorne Road, Colnbrook, Slough SL3 0AR. Colnbrook 4567.

● MATERIALS

Adhesive tape for industry

FOR APPLICATIONS in industry Arno Adhesive Tapes, which makes a range of waterproof air duct tapes, has introduced a tape made from a polythene/cloth laminate coated with a long life rubber based pressure-sensitive adhesive. It is 10 per cent. cheaper than the company's main range tapes.

Available in black, the tape is supplied in widths ranging from 1 to 3 inches in rolls of 55 yards. Other widths and lengths can be supplied. Adhesion to steel is stated to be 1050 gm/in and tensile strength is 15 kg/in.

It is mainly intended for use in areas other than heating and air conditioning, such as binding, joining, sealing and strapping, for example, carpet joining, or carton strapping.

The maker is at Shore Road, Hythe, Southampton S04 6YT (0703 84 3186).

● INSTRUMENTS

Takes many readings

OVER 100 temperature measurement points can be manually or automatically monitored using a digital thermometer introduced by Ancom of Devonshire Street, Cheltenham, Glos. (0242 53861).

Applications include assessment of the temperature profile across machines and structures, for example in engine testing, and in monitoring gradients throughout the structure of a dwelling to determine the thermal efficiency of insulating materials.

The unit can be calibrated for most types of thermocouple, with or without cold junction compensation, or for special transducer requirements. Thermocouple inputs are fed to an amplifier and lineariser and a dual ramp converter changes the signal from analogue to digital for display on a ½ inch character digital panel meter.

Thermal stability is about 10 microvolts and long-term drift of the order of 0.05 microvolts per deg. C. Error bandwidth of the lineariser is about ±1 deg. C over the complete temperature range, depending on the thermocouple used. Outputs are available for further digital systems use.

Building and Civil Engineering

Gleeson gets £16m. power station job

M. J. GLEESON (Contractors) has been awarded a contract worth £15,827,000 by the Central Electricity Generating Board, to construct the superstructure of the Littlebrook "D" Power Station at Darford, Kent. Work is starting shortly and completion is due on April 2, 1979.

The contract covers the superstructure works for the 2,000 MW power station and includes the main buildings with the boiler house, central annexe, turbine house and electricity annexe.

The ancillary building complex will include offices, a control block, laboratories, canteen and welfare facilities, workshops and stores, with electrical, mechanical and heating services.

Works comprise the construction of auxiliary plant buildings: gas turbine house and auxiliary boiler house, a water treatment complex, a fuel oil heater building, a gas turbine fuel oil pump house complex, a circulating water pump house, a circulating water switch house, a chlorination plant complex, a raw water transfer and hydrant pump house and hydrogen plant complex, a fuel oil pump house, a gate house and associated minor plant buildings.

The transmission compound will include foundations and superstructures for switch houses and minor plant buildings with associated domestic services and external work.

Miscellaneous foundations will be established as required for certain auxiliary plants and buildings, pavings and associated external works in the vicinity of the power station.

Offices for American bank

A £2.5m. office improvement and fitting out contract as Stratford, East London, has been awarded by Morgan Guaranty Trust Company to John Laing Construction.

The bank has taken a 25-year lease on a 14-storey block built by Laing for Ravenseft Properties, in association with the London Borough of Newham.

The building will be fitted with double glazing, improved air-conditioning and new refrigeration and dust extraction plant, with suspending ceilings, carpeting and partitions.

The top floors will contain a restaurant for about 200, fully equipped kitchen, leisure and club room. Below will be nine storeys of offices, with computer suite and telephone exchange on the lower floors.

Architects are Shinney Son and Austen Hall and quantity surveyors are Wicksteed Son and Few.

Work starts this month with completion due at the end of February, 1977.

Consulting engineers' work expands overseas

CAPITAL value of work being handled by U.K. members of The Association of Consulting Engineers is at present over £12,000m. Overseas firms account for an additional £3,000m.

This is more than double the figure for a year ago and it is estimated that most of the increase is due to commissions obtained this year.

When it announced these figures last week the Association said that it was concerned that some public bodies intended to engage in overseas consultancy direct "for which they are neither organised nor possess the requisite consultancy experience."

The Association added, "Short-sighted fiscal legislation grossly handicaps consulting engineers by restricting their ability to finance expansion overseas, while over-inflated and under-employed professional staffs in government offices, central and local, as well as in nationalised industries, absorb much of the limited supply of skilled manpower, in addition to denying independent firms the prosperous home base which is essential if they are to break into the overseas market."

Nearly 80 per cent. by value of the new commissions obtained were in the Middle East where the total work represents over half the world capital value. In Saudi Arabia, for instance, U.K. consulting engineers are handling £2,500m. worth of work.

The Association says the year under review was notable for the number of very large commissions obtained.

Included in the £12,000m. were a few commissions for projects whose capital values ran into hundreds of millions, but about two-thirds of the projects were valued at £20m. or more.

"This has made necessary a revision of the method of estimating the resulting annual earnings, since larger projects command a lower percentage fee as well as being spread over a longer time," says the Association.

On this revised basis, net invisible earnings during 1975 are estimated at £113m. and the present rate of earning is about £130m. per annum.

£1.4m. jobs for Wimpey

GEORGE WIMPEY has won a contract from Imperial Group to build a single storey warehouse and two storey office building for the latter's subsidiary Lowfield (Storage and Distribution) at Radlett, Herts.

The contract, which includes all external works, is valued at about £775,000 has already started and is due for completion in August next year.

Wimpey's Leeds office has also gained a contract valued at £645,000 for a student residence for the University of Bradford.

The residence will be arranged in nine blocks of four-storey bedroom units, together with a warden's flat, to accommodate 224 students.

Construction will be predominantly Wimpey no-fines concrete and the contract includes general external works, an access road and a car park. Work has begun and is due for completion in April 1977.

Consultant architect for this job is the Building Design Partnership of Preston in association with E. Kemp, resident architect University of Bradford.

Preparing the way for the pilgrims

A CONSORTIUM consisting of Robert Matthew, Johnson-Marshall and Partners, Watson Saudi Arabia and Dar Al-Handasah (Shair and Partners), has been awarded a design contract which will eventually give facilities for the Hadj Pilgrims to Mecca in the holy areas of Muna, Aziziah and Al Adl.

The work will be worth around £50m. and the design and supervision operation covers the water supply and public health infrastructure for the 3m. pilgrims expected in 1977. Additionally there will be a primary ring road network of about 200km., with five tunnels, several viaducts and interchanges, and camping facilities for 1m. pilgrims.

Some 1,300 public buildings—police stations, fire centres, etc.—will be linked by a secondary road network.

Robert Matthew, Johnson-Marshall and Partners and Watson Saudi Arabia will design about 60 per cent. of the project with Watson responsible for the water supply and public health engineering. The Lebanese firm Dar Al-Handasah is responsible for the primary ring roads, bridges and tunnels.

The project originates in the RMJM & P planning work for the Western Region of Saudi Arabia, which included the master plans for the city of Mecca, and was carried out from their office in Jeddah. Watson Saudi Arabia has been responsible for providing most of the public health facilities for Mecca since 1965 and Dar Al-Handasah for designing the ring roads in the vicinity of Mecca.

The design will conform to a tight programme to allow construction to start towards the end of 1976.

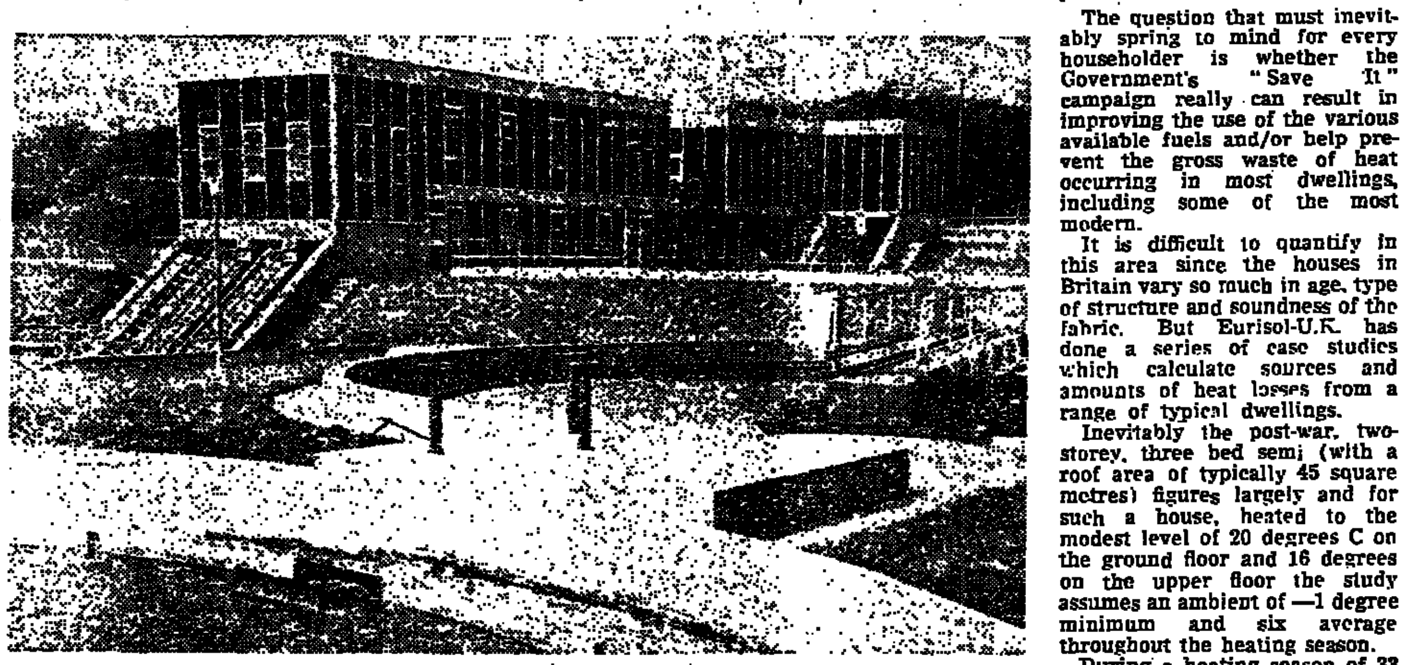
All plans now to be evolved will be aimed at the anticipated 3m. figure for 1977.

Building its own plant

HYDRONYL of Stoke on Trent is to build a new factory at Fenton, Stoke on Trent, for the manufacture of catalyst carriers, a widely used product in the oil, chemical, petrochemical and general processing industries.

The 20,000 square feet plant, which the company will construct itself, will employ an additional 50 people, will cost £350,000 and produce 2,500 tonnes per annum.

The company says it will be placing orders for materials needed in January.



A view across the sedimentation tanks at the recently completed sewage treatment works at Newmarket. It was constructed by Biggs Wall and Co. under a £780,000 contract awarded by the Anglian Water Authority.

What price insulation

IN THE PAST two years, fuel prices have risen by 58 per cent., on average. Some types of central heating use fuel which is over 300 per cent. more expensive than it was three years or so ago at installation. Expectations are that across the board, fuel prices will double every ten years from now on.

The question that must inevitably spring to mind for every householder is whether the Government's "Save It" campaign really can result in improving the use of the various available fuels and/or help prevent the gross waste of heat occurring in most dwellings, including some of the most modern.

It is difficult to quantify in this area since the houses in Britain vary so much in age, type of structure and soundness of the fabric. But Eurisol-U.K. has done a series of case studies which calculate sources and amounts of heat losses from a range of typical dwellings.

Inevitably the post-war, two-storey, three bed semi (with a roof area of typically 45 square metres) figures largely and for such a house, heated to the modest level of 20 degrees C on the ground floor and 16 degrees on the upper floor the study assumes an ambient of —1 degree minimum and six average throughout the heating season.

During a heating season of 33 weeks at 16 hours/day—say close on 3,700 hours, total energy consumption in an uninsulated house of this type with cavity walls would be just under 29,300 kWh. At 82p per useful kWh (latest national average cost of all fuels including standing charges) this works out at £240 in the year.

Putting 100mm of mineral fibre in the loft cuts energy consumption through this "exit" to about one-seventh and saves over 5,300 kWh over the heating season—or £44.

Insulating the cavity wall with foam or fibre, energy loss through the sides is cut to under one-third.

The combined saving of around £99 is well over 40 per cent. of the notional heating bill.

Loft insulation is the simplest method of saving because all it needs is a handyman to lay rolls of insulant between the joists. Cavity wall filling with foam or fibre is a job for a fully-trained specialist and the recent Government moves to encourage widespread adoption of such insulation while avoiding breaches of the building regulations and warning off the cowboys show how much importance is attached to it nationally.

Eurisol estimates that loft insulation would be amortised in 1.4 years for a cost of £61 while cavity wall insulation costing £140 would be covered in two years. The group's office is at 01-935 5492.

Interesting in this context is the claim made by Rentokil for its Rockwool insulant used as a filler for cavity walls. It appears that the U value for Rockwool filling against carbamide foam is something like 25 per cent. more advantageous to the householder —0.09 against 0.12 watts per square metre per degree C. An unventilated cavity wall with no filling would return a figure of 0.27 W/m^2 deg. C.

Meanwhile, in the background is looming the growing problem of condensation because people are turning down their heating systems, putting up double glazing and generally making their houses more air-tight. Rentokil again has made a special study of the problem in terms easily understood by people who do as little DIY as possible. Generally speaking, better insulation is the answer.

Developing water resources

TWO projects in Nigeria for the development of water supplies, are to be undertaken by Ward, Ashcroft and Parkman.

For the North Central State Water Board the firm's engineers are to plan a system at Kaduna which will increase the present 14m. gallons daily to 60m. by 1985.

The work will include provision of water treatment facilities, additional punmping mains, and 12 storage reservoirs. The first phase of the expansion is estimated to cost £20m.

The North Eastern State Ministry of Water Resources, acting on behalf of the Federal Ministry of Water Resources has also appointed the firm to undertake an appraisal study, first stage design and full feasibility study for an integrated water resource development of the River Yedseram valley.

This investigation will include identification of 30,000-60,000 hectares of land suitable for irrigation, soils survey and land classification: recommendations for cropping patterns, and assessment of water demand; hydrological studies of the catchment area to determine availability of supplies; selection of a dam site; outline design of the dam, and irrigation systems; and a cost/benefit analysis of the project.

Extracts a sample of the sea bed

TAYWOOD Seltrust Offshore, in association with Terresearch, the ground engineering specialist company of the Taylor Woodrow Group, has successfully tested its new sea bed sampler in a water depth of 500 feet.

The sampler is hydraulically powered and controlled through a flexible umbilical. Its control system is arranged so that once it is on the sea bed, in an automatic cycle of operations, a series of one metre long samples are obtained.

The machine provides undisturbed core samples to a depth of nine metres (30 feet) into the sea bed, and has been designed to operate in water depths of up to 1,000 feet.

The machine is suitable for obtaining information for all types of structures to be placed on the sea bed and for investigating ground conditions for pipelines, sewer outfalls and anchorages. It can also be used for mineral prospecting and general geological survey work.

Pipeline in Kenya

A JAPANESE company has won a £19m. contract in Kenya for the construction of a 450 km pipeline between Mombasa and Nairobi. Construction is due to start in February and completion is expected in September, 1977.

The pipeline will be capable of transporting some 1.5m. metric tons a year. It will be able to handle up to six different kinds of petroleum products from the Royal Dutch Shell refinery at Mombasa.

About half of the route will involve installation on rockbed and about 130 km will traverse the national Zoological Park.

A major factor in winning the international bid apparently was NKK's pipeline technology which will permit using a single line to transport simultaneously or consecutively different petroleum products over a relatively long distance.

The pipeline will require 28,000 metric tons of pipe with an outside diameter of 14 inches. Four Japanese steelmaking companies will supply the pipes.

Factory and warehouse extension

COSTAIN Construction has won two contracts totalling £1m. to build a factory extension for CAV in Sudbury, Suffolk, and a warehouse extension for Eldonwall Industrial Estates on the Crick Motorway estate.

The £837,000 contract for CAV is for a single storey 2-bay factory extension. The whole building will be clad with plastic coated metal and will provide CAV with an additional 5,880 square metres of floor space.

Architects are Clifford Tee and Gale and quantity surveyors, Reynolds and Young.

Construction of the warehouse extension will call for in situ reinforced concrete column bases, precast reinforced concrete ground beams, columns, beams, roof members and purlins. Overall size of the extension will be about 3,500 square metres.

Architects are W. S. Hattrell and Partners and quantity surveyors, Basil Cohen and Partners.

Houses and flats

GOUGH COOPER AND CO. has won contracts totalling £4.9m. for houses from the Leicester Housing Association, the Medway Borough Council and the Rugby Borough Council.

Work has begun on the £1.3m. Leicester contract which is for 46 two-storey houses, 120 two-storey flats and 36 three-storey flats at Knighton Lane East.

The £1.6m. Rugby Borough Council project, which is about to be started, is for 187 two-storey houses and 21 two-storey flats at Brownsover.

The Medway Borough Council contract, valued at £1.9m. is for 172 two-storey houses, 12 three-storey flats and two bungalows at Princes Park, Chatham. Work is scheduled to begin in January.

● Forty-five sites in the West Midlands County Council area are to be resurfaced with Shellcrip, an anti-skid material, by Tarmac Roadstone Holdings under a £100,000 contract awarded by the Department of the Environment.

● Broads Manufacturing, member of the Brickhouse Dudley Group, manufacturer and distributor of specialised foundry and engineering products, has won an order worth about £700,000. Awarded to Broads by the Post Office, it is for the supply of heavy duty cast iron joint box covers. Delivery will be spread over the next few months, completion being around end-December, 1976.

● THE British Aircraft Corporation has awarded a £2.3m. contract to Fairclough for the building of a production hangar at Warton, Lancs. Work will be carried out by the Fram Gerrard Division, Swinton, with a contract period of 76 weeks.

CONTRACTS AND TENDERS

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MONDAY, DECEMBER 15, 1975

A strategy undermined

UNTIL THE details of the Chrysler rescue operation are announced, presumably tomorrow, it is not possible to assess just how completely the Government has caved in to political pressure. But it is already clear that the slightly more rational industrial policy, faint glimmerings of which began to appear after Mr. Wedgwood Benn's departure from the Ministry of Industry, is in tatters. The early decisions of Mr. Eric Varley, the refusal of aid to certain "lame ducks," the increasing references in Ministers' speeches to over-manning rather than under-investment—these gave grounds for some hope. But it appears that the Government's toughness is reserved for relatively small affairs where the political risks are insignificant; on the big issues it is just as flabby as any of its predecessors.

Credibility

Unless this impression is quickly and decisively dispelled—and it may be too late—what little credibility the Goverment retains in the eyes of the business community, at home and abroad, will evaporate. For the Government has to be judged by its actions, not by Ministers' speeches. It is no good talking about the evils of over-manning if the Government continues to prop up badly managed, loss-making enterprises in the private sector and continues to prevent, or at least to discourage, public sector enterprises from tackling their manning problems.

Before the end of the year, if past promises are to be kept, a *decision will be made on* whether or not to close down steel-making at Shotton in North Wales. The lobbying on behalf of Shotton is intense and the Government is undecided. There is a strong possibility that, just as in the late fifties the fourth strip mill was split, for political reasons, between South Wales and Scotland (with the result that neither works has been successful), the same kind of Solomon's judgment will preserve steel-making at Shotton, even though the technical and commercial arguments for transferring production to larger and better-located works are overwhelming.

Steel has been nationalised for nearly ten years. Not only are the industry's basic problems *no nearer solution than* they were in the mid-sixties, but the obstacles to change—the constant interference from Whitehall, the impression on the part of unions and some employees that the Government will always come to the rescue in a financial crisis—may have become even greater. Last week the BSC management spelt out to the unions the serious nature of the present crisis and the painful measures which have to be taken to make the Corporation viable. It remains to be seen how the Government will react to the manpower reductions which the BSC intends to carry out.

Given the experience of steel and the other public sector industries, it takes no great feat of imagination to predict what will happen if and when the aircraft and shipbuilding industries are nationalised. Both industries will need to shed labour, but the political pressures on the Government to maintain them at roughly their present size may prove irresistible. As for British Leyland, it is much too early to assess either the effectiveness of the present management or the role of the National Enterprise Board, but the past few weeks have shown the futility of empty threats.

Efficiency

In the document on industrial strategy which was issued last month the Government said it intended to give greater weight, *and more consistently than in* the past, to "regenerating our industrial structure and improving efficiency," even at the cost of social objectives. This presumably meant that in those sectors of industry over which the Government exercised direct or indirect control, it would *give the highest priority to* efficiency. In view of what had actually been happening in the public sector, it was difficult to take this very seriously. Subsequent events, including the Chrysler affair, have made the Government's declaration of intent even less credible.

A new concession from the West

THIS WEEK the Atlantic Alliance will offer substantial new concessions to the Warsaw Pact in the negotiations on mutually balanced forced reductions (MBFR) in Central Europe which have been stalemated ever since they began more than two years ago. To many Western observers, the timing must come as a surprise. It is not as if the present climate for détente were particularly encouraging. The signing of the final act of the European Security conference in Helsinki last July has produced few, if any, tangible benefits, there has been no perceptible increase in freedom of movement between the two parts of Europe and the Warsaw Pact signatories have ducked their commitment to inform the West in advance of sizeable military manoeuvres.

Helsinki has not yet been followed, as was widely predicted at the time, by a second strategic arms limitation agreement (SALT 2) between the Americans and the Russians. In terms of great power politics, *indeed, one of the most* notable post-Helsinki events has been the extent of the Soviet intervention in Angola—an area well outside of the traditional Russian sphere of interest, and where Soviet policy can only be described as expansionist and provocative.

Superiority

Nor does the West have anything to apologise for in the conduct of the MBFR negotiations so far. The Western negotiators have produced figures suggesting there is a disparity of 150,000 ground forces and nearly 10,000 tanks in Central Europe in favour of the Warsaw Pact. The Pact has disputed the figures, but throughout more than two years of talking has failed to produce any alternative data of its own.

The West has chosen to offer concessions now in the one area where it has a clear superiority, namely tactical nuclear weapons. This superiority has been known throughout, but until now the Western powers have chosen to hold it in reserve, insisting that the negotiations were entirely about ground forces. The Western ace—the only Western ace—will be played this week when the West will add to its original offer to withdraw 29,000 U.S. forces in a first phase reduction an offer to withdraw one-seventh of its tactical nuclear weapons. The Pact will be asked, as before, to agree to withdraw a Soviet tank army, which means about 69,000 troops and perhaps 1,700 tanks, and to accept that the ultimate aim of MBFR is parity of forces.

Public opinion

It is revealing that the main reason advanced in NATO for this concession is the need to convince public opinion that the West is not dragging its feet on détente. There is no *attempt whatsoever, and* apparently no hope, that Western concessions here could be used to extract Soviet concessions in SALT or to restrain the Soviet policy of expansionism outside Europe. There is only the fallacy that if the Soviets reject the concession, it should be *easier to explain to* public opinion the true state of affairs.

Unfortunately, it is very unlikely that the Russians will reject the offer out of hand; they will negotiate and ask for more. And if the West cannot in the meantime come to terms with the need to maintain a military balance of power, it is all too probable that more concessions will be offered. There is a danger that détente, pursued in this way, could become a one-way street.

The 'de-merger' of Shell-Mex and BP, whose £2.5bn. a year turnover puts it among Britain's biggest trading companies, will be completed by the end of this month. **Ray Dafter** examines what it entails

Ready for the great divide

FOR the past four and a half years the giant Shell-Mex and BP organisation has been quietly pulling itself apart. By the end of this month the so-called "de-merger" of one of Britain's largest companies will have beeen accomplished, putting a new complexion on the face of the U.K. oil industry and providing new sets of competitive teeth for the individual Shell and BP operations.

The reorganisation has been one of the most ambitious of its type undertaken by industry *anywhere in the world.* Shell-Mex and BP has an annual turnover of some £2.5bn., employs around 13,000 people and supplies between 30m. and 40m. tons of fuel to the U.K. market each year. All this had to be separated so that Shell retained 60 per cent. and BP the remaining 40 per cent.; the ratio of capital originally put up by the companies in 1932.

When, 43 years ago, the two companies decided to form a joint marketing company to benefit from economics of scale, motoring was still emerging from its formative years and the oil business growth rate was miserably low. The combined turnover in the first year of operation was a bare 3m. tons of fuel.

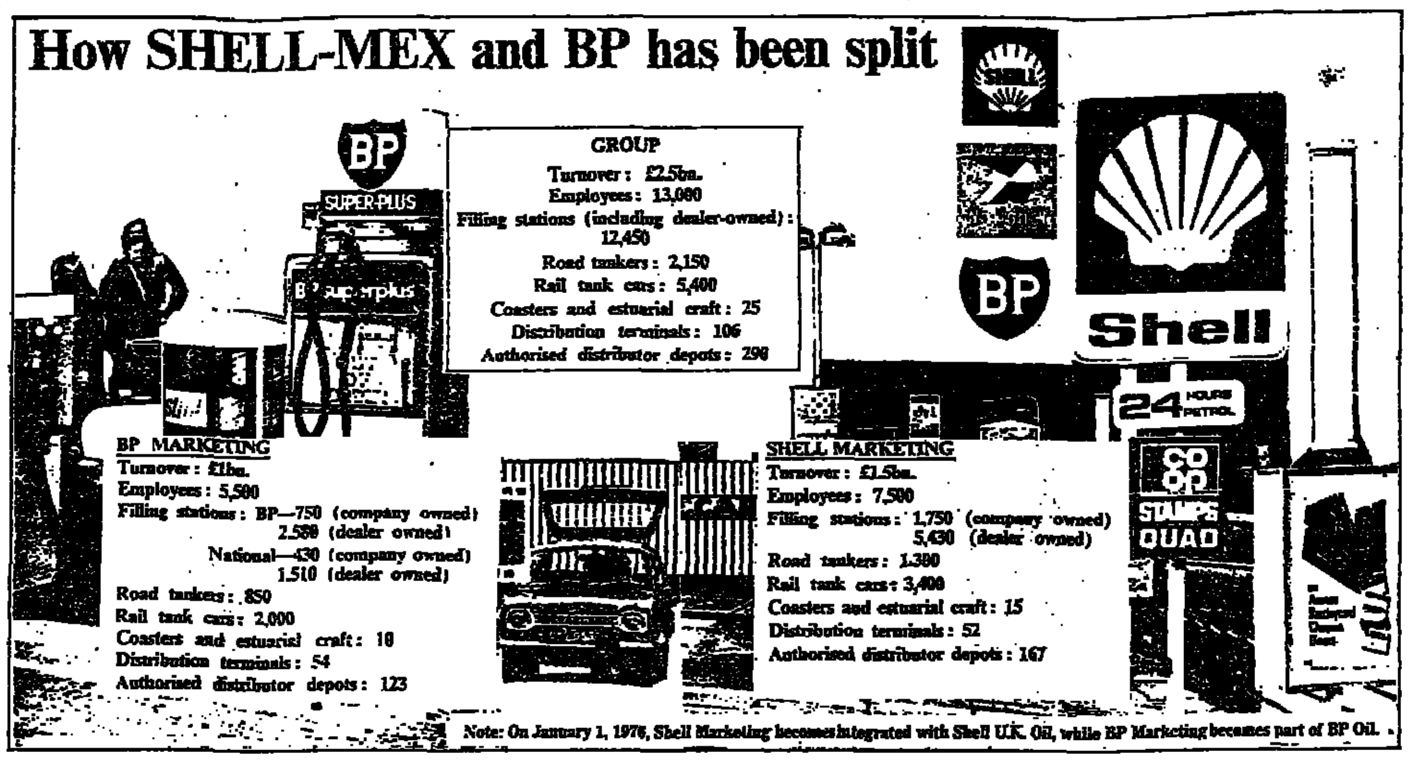
Petrol was cheap

By 1965—the key date in the "de-merger" plans—the motor industry was thriving, petrol was cheap (by to-day's standards) and companies were fighting for market shares. Shell-Mex and BP, which had acquired National Benzole on the way, had found its market share slipping a couple of points to around 38 per cent. and it was decided to go in for brand streaming. The 3,000 sites, owned by the company and dealers, were allocated to the three brand named petrols under a rigid and complex formula. Separate sales forces were established for each brand. A new competitive spirit emerged among staff both within Shell-Mex House in London and on the garage forecourts, although overall marketing and pricing strategy was still controlled by head office. The group's market share returned to around 40 per cent., and the time was considered ripe to look at other Shell-Mex and BP operations.

The initial idea was to follow the petrol example, marketing the products separately rather than pulling the central organisation apart. But as time went by the company—or, more accurately, its parents—saw the advantages of complete separation. The need for a contrived economy of scale was over; each part was big enough to stand on its own feet. As the accompanying chart shows, the Shell section emerges with a turnover of £1.5bn. a year, while BP's share of sales (which includes National Benzole's interests) is running at an annual rate of around £1bn. Each of these operations alone would be sufficiently large to earn a place among Britain's top trading companies. In the event, however, the plan is to merge the respective interests into the even bigger Shell U.K. Oil and BP Oil companies, as from January 1.

Another reason for the reorganisation is that both Shell and BP are anxious to bring their marketing arrangements more in line with their operations in other parts of the world. These, together with the extra competitive stimulus of clear brand identification, are given as the main factors behind the change.

How SHELL-MEX and BP has been split



Note: On January 1, 1976, Shell Marketing becomes integrated with Shell U.K. Oil, while BP Marketing becomes part of BP Oil.

An inquiry likely

It would be tempting to speculate that Shell-Mex and BP may have become too big (the group had been planning to build up to supplying 50m. or 60m. tons of oil by 1980), though this is hotly denied, however, by Mr. John Greenborough, its managing director and chief executive.

Similarly, one cannot help but question whether Shell and BP might have been wondering how an enlarged Common Market might view what is essentially a market sharing arrangement. Perhaps more pertinent is the fact that for some time oil companies in general have been living with the threat of a Monopolies Commission inquiry into their petrol selling activities. Only last week, Mrs. Shirley Williams, the Prices Secretary, confirmed that such an inquiry was likely.

The vulnerability of Shell-Mex and BP to criticism was demonstrated in the past few weeks when the group announced its latest range of price increases. Not only were they identical for each of the Shell, BP and National Benzole products, but they were also taken as a pointer by other oil companies. Between them the three brands serve 12,450 petrol stations; after January 1 Shell should account for about 24 per cent. of the U.K. petrol market with BP and National taking about 16 per cent. between them.

But the reorganisation goes far beyond the petrol business. The group has about 20,000 industrial customers, ranging from the Central Electricity Generating Board to hauliers with a couple of lorries. These, again, had to be split in a 60-40 ratio on the basis of their size, type of trade, growth potential and financial status.

Although the selection was made largely on an arbitrary basis, the number of industrial customers seeking a change from their allocated supplier could be counted on the fingers of two hands, according to Mr. Tony Driver, general manager (industrial) and a director of BP Marketing.

Ambitious exercise

In terms of sheer numbers, the split of customers using the group's home heating fuels was an even more ambitious exercise. Shell-Mex and BP had 600,000 domestic customers, handled by 90 authorised dealers. Once again they had to be separated on an equitable basis. (In this "branding" of customers Shell-Mex House sent out no less than 2m. explanatory letters.) But it was not just a case of "one for you, one for me" all over again; this time the group was restructuring the business fabric of other companies, the authorised dealers who had been given franchises to deliver in specified parts of the country.

Companies like William Cory and Hydleman Oils found themselves operating over wider areas; staff and drivers who had no direct connection with Shell-Mex and BP were often transferred between these distributors as part of the wider reorganisation. The fact that there were comparatively few dissentients among the "branded" customers was, in part, a tribute to the thorough planning behind the exercise but also, one suspects, reflected the sign of the times. The change-over coincided with the aftermath of the 1973 fuel crisis; those customers uneasy about the change might have thought twice about protesting in view of the prospects of fuel shortages.

Sitting on the sidelines

Nevertheless, it was obvious that there were competitors sitting on the sidelines, waiting to benefit from any slip-up. As Mr. Greenborough commented: "We were aware of other companies watching us, ready to pick up any pieces we might drop. At the same time we were also aware that disgruntlement among only a tiny minority of our customers could create a good deal of fuss and bad publicity."

The fact that the split has been achieved comparatively painlessly, with little apparent public criticism and few cries of anguish from inside, is the result of a number of factors. As already mentioned, the timing of the operation, which, by chance, coincided with uncertain fuel supplies, may have had something to do with the muted consumer response. But to assume that was all would do injustice to the formidable planning which was behind the separation, however.

Redundancy fears are a major cause of concern with any industrial reorganisation, and here the Shell-Mex and BP operation scored. By its very nature a "de-merger" is likely to cause less employee anxiety than the much more common merger. When the start of the process of separation was announced in 1971, it was emphasised that there would be no redundancies. In the event, only two of the staff opted for voluntary severance, although a further 200 to 300 have been shed in the past year because of the recession in the oil business and the reorganisation of the sales structure—nothing to do with the split.

For many the separation has initiated early promotion: executives and deputies had to be duplicated to handle Shell and BP business, and so on down the line. In order to avoid a Parkinson's Law situation, many executives were expected *to take on a wider range of* duties, however. (The cost of separation has not been disclosed, but it is said to be negligible when set against total turnover.) Although domestic disruption was deliberately kept to a minimum, the financial services section faced the problem *of equipping and manning* two main computer centres, rather than one, and here there was a good deal of movement and retraining.

Computer centre

Shell-Mex and BP had used its computer centre at Hemel Hempstead as its main base, with a smaller complex near Manchester providing support facilities of a mainly clerical nature. Under the reorganisation BP is using Hemel Hempstead as its base while Shell is setting up a much-enlarged facility in Manchester. The result has been a movement of some 150 personnel to the north and a sizeable retraining p gramme in Manchester.

The group was not faced w any head-on battles with tr unions; only some 42 per ce of its employees are un members. The only union be involved was the Transp and General Workers' Uni *with drivers and depot ope* tors. Here joint site committ were set up to aid the sep tion.

The way the split was carr out, and the method by wh staff were allocated to respective sides, might w prove to be a model for la scale industrial "de-merger Seven project teams were up covering the automot market, the industrial sector, domestic and heating mark agriculture, aviation, the b men market and the mar business.

When it came to looking *staffing, these teams were help* by the employee grading str ture introduced by Shell-M and BP in the early 1960s. with customers, employees w again chosen on a sophistica "one for you, one for me" ba with their age, ability, gradi potential and service all tak into consideration. In this w it was ensured that there co be no suggestion of favouritis a manager could not pick t team he would like to work w after January 1 simply becau he did not know which was be his future company.

Knows his future role

With just a fortnight befo the Big Switch everyone nc knows his future role. M Greenborough, for example, to be managing director ar *deputy chairman of Shell U.* Oil which, following the assimil tion of the Shell-Mex part, no becomes the second bigge Royal Dutch/Shell operatic after Shell Oil in the U.S.

New loyalties have alreac become apparent. Virtually a of BP's head office staff hav *moved to the new BP House i* Victoria Street, for example. A one director told me: "The ki gloves come off on January 1— it will be every man for him self." This is the competitiv spirit that both BP and She have been seeking, after al For the first time in 43 year *the market leaders in the petro* business may be charging separate prices: it will be interesting to see whether this perpetuates the price-cutting war currently being waged or filling station forecourts.

But with each company know ing so much about the other *and its customers, it will b* even more interesting to watc the comparative growth record over the next year or so. Fai ness has been a watchwor during this exhaustive "d merger" exercise; now come the acid test of its success.

And, *if it is successful,* the are perhaps other industri conglomerates that could bene from following Shell-Mex an BP's example, a point th Monopolies Commission and th Government may be watching

MEN AND MATTERS

Cork Gully looks west

One of the biggest growth areas in the last two years has, *alas, been that of company* liquidations and the name of Kenneth Cork and his firm W. H. Cork Gully has been much in the public eye. Cork is popularly believed to be London's biggest landlord at the moment and possibly the U.K.'s biggest property tycoon in his capacity as liquidator to the Stern and Lyon property empires, not to mention Guardian Properties.

But although he is being kept busy in this capacity, and also in the quite separate role as this year's Sheriff of the City of London, I gather that Cork is still finding time and *entrepreneurial flair to pursue* the expansion of his own business. He is discussing a link with chartered accountants Jolliffes. This alliance, involving Cork Gully itself, the associate practice of Cork Porritt Sunderland and Company (which concentrates on *auditing business) and Jolliffes* could create a very powerful combination in the accountancy world.

Such an alliance looks a trifle unlikely at first sight since Cork and his two firms are steeped in City tradition while Jolliffes is a West End firm. Also, while Jolliffes undertakes investigative work as well as normal auditing business, it has not so far been involved in insolvency business. The firm has been built virtually from scratch by its senior partner Anthony Jolliffe over the past 11 years, and an indication of its success is that it now has 17 partners in the U.K.—ten of them in London, while Jolliffe himself is still only in his mid-thirties.

Jolliffe has just been made an Alderman of the City of London, and the proposed link with Cork could facilitate an early extension of his business interests in the square mile. As far as Kenneth Cork is concerned a successful link with *Jolliffes might be the first step* in further rationalisation of his business interests.

The alliance with Jolliffes will also bring with it important international connections, based on a holding company in Brussels and embracing accounting firms from ten countries.

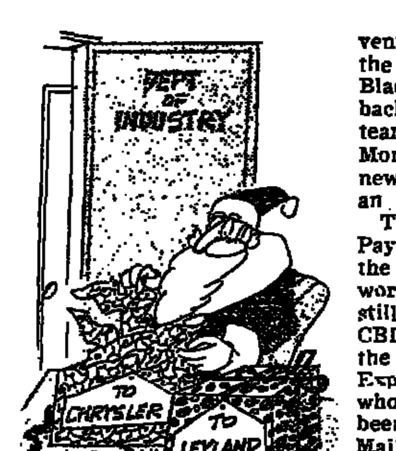
Under the arrangements being discussed Jolliffes will merge with Cork Porritt and the new firm, to be known as Jolliffes Cork, will come into being on April 1. At that time Jolliffe himself will join the partnership of Cork Gully. In this way both the investigative and the auditing sides of Kenneth Cork's business will be strengthened. At this stage there seems little chance of a complete merger between Cork Gully and Jolliffes Cork but the indications are that the two firms will work together more closely than have the two Cork companies in the past.

Oh! dear

While I'm on the subject, following my note last week about the different methods of charging for telephone installations in France and the U.K., a reader has suggested that the British Post Office should put the telephone service into liquidation: that way it would get an official receiver!

Tell 'em true

I have long been a student of house magazines which companies produce for their staff in order, theoretically, at least, to keep them informed of what is going on in the company and its various divisions—in terms of both the business itself and of the social activities of the employees. One of the fascinating aspects is the wide range in standards — both journalistic and in terms of communications value—which applies: house newspapers vary from the appalling to a handful of very good ones.



Now, it seems, with the question of worker participation and *the whole subject of communi*cation between members of the company at all levels assuming greater importance in corporate thinking, a good many companies are re-appraising upwards the role of the humble house journal.

Two companies now exist which offer facilities to advise on the production of house magazines, or alternatively to take over production completely—liaising with a group's public relations department for collection of material. One is brand new, while the other has been going for some time.

The brand new company is called Decimus Publishing and is the brainchild of a group, headed by public relations consultant David Wynne-Morgan, which has sunk £20,000 into the venture. Managing director of the new company is Brinsley Black, who has an advertising background, and he has on his team, in addition to Wynne-Morgan, a trade unionist, a newspaper layout specialist, and an industrial psychologist.

The trade unionist is Will Paynter who was Secretary of the National Union of Mineworkers for nine years and is still a member of the TUC/CBI Conciliation Panel, while the journalist is former Sunday Express Editor Harold Keeble whose more recent activity has been as consultant to the Daily Mail during its re-emergence as a tabloid. Daniel Miller who is Professor of Psychology at Brunel, and the group can call on a wide range of Fleet Street sub-editors on a freelance basis for actual production.

The company already in the field is Graham Kemp Associates run by former Birds Eye public relations officer Graham Kemp. At Birds Eye he pushed through the concept of an independently edited house magazine which has resulted in the highly successful Birds Eye News. Now on his own he still looks after BEN and in conjunction with Broadstrood Press will be producing two more house magazines in the New Year—one for Whitbread.

But even in a more receptive climate, both companies face a hard struggle in this area. According to Kemp, getting companies to open up on controversial issues as well as happy ones involves a complete re-orientation of thinking at all levels which can take years to obtain.

Hard sell

Sign in a piano showroom: "Buy a piano now—only ten Chopin days to Christmas."

Observer

The three rail unions are heading a new campaign to halt further cuts in Britain's rail services, claiming that present plans suggest a reduction in the nation's network from the present 11,000 miles to 4,000 miles by 1981. **Colin Jones** reports.

Shrink-packaging Britain's railways

ΗE MIDDLE years of the last ree centuries have each witıssed a sea-change in the eans of travel in this country, ith painful consequences for e older mode of transport ıich was being usurped by the ·w. Two hundred years ago e canal builders paved the ıy for the industrial revoluın and, in the process, stened the decline of the old rnpike trusts. A hundred ars ago saw the arrival of e railway age and then it ıs the turn of the canal comnies to go under. This ntury we are witnessing not much the decline of the llways in the face of road mpetition but the retreat of blic transport by road as well by rail now that most nilies and all firms have, or pire to have, their own ınsport.

The campaign launched last ek by the three rail unions, th the support of various en·onmental pressure groups, ainst further cuts in rail and ıer public transport services the latest skirmish in this ıg-drawn out engagement. ey say that the limits which ve now been set for rail inıtment and revenue support ınt logically to a reduction the nation's rail network m the present 11,000 route les to something less than 00 miles by 1981.

Reductions

This prognosis, as one might ect, has been laced with a tain amount of hyperbole. political implications of rail sures on any scale are such vadays that only an excepıally brave and determined ernment could engineer so stic a cutback in so short a e. It was noticeable that even the Rail Board—which would normally be only too glad to welcome any effort to drum up public support—took immediate steps to dissociate itself from the unions' gloomier warnings. Clearly, however, there is now likely to be a further reduction in the size of the rail network, a further reduction in manpower, and some reductions in the quality of rail services. Just how much has not yet been properly evaluated by anyone. Nothing final has been decided. All that has happened, so far, is this.

Cost

First, the Government has decided that a major attempt must be made to reduce the escalating cost of rail revenue support which would otherwise reach levels that even one usually sympathetic Cabinet Minister has described as "terrifying." Accordingly, British Rail has been told that next year's subsidy for its passenger business will be pegged to this year's £330m., subject only to a 10-11 per cent. "inflation ceiling." This is the direct cause of the service cuts which British Rail has been announcing piecemeal in recent weeks. It also explains the succession of fares increases which, although by no means over yet, have already more than caught up with the past few years of compulsory price restraint, with the inevitable impact upon the volume of optional rail travel.

At the same time, British Rail has been told that the deficit financing of its freight business, which is currently costing the taxpayer some £70m. a year, will be phased out by 1978. This part of the subsidy bill did not form part of the post-1973 revenue support policy. It was introduced to meet the railways' cash flow needs earlier this year when the freight services began to incur heavy losses. Even though rail freight has merely to cover its "avoidable costs" (now that the bulk of the shared cost of track and signalling is loaded onto the passenger service subsidy) and even though rail freight services are contrary to EEC rules, British Rail doubts whether the 1978 target for phasing out will be possible, given the depth and likely duration of the recession in steel, coal and other industrial traffic.

Secondly, as part of the attempt to curb the growth of public expenditure the railways have been warned to plan on the basis of the same volume of investment spending in the next three years as during the current year. This will be much less than British Rail had originally asked for but the cutback is probably proportionately no more — and may even be proportionately less — than the further large reductions the Government will be announcing in the inter-city motorway and trunk road programme and which will probably cause as big an outcry from the roads lobby when the figures are revealed). For the railways, however, the new investment ceiling will mean further delays in starting projects like power signalling, continuous welded rail, and modern wagons, which could eventually save manpower, as well as projects — for example, additional high-speed train services — which are intended to raise the quality of rail services.

Above all—and here the Rail Board is at one with the railway unions and the environmentalists—the Board fears that these new financial constraints will pre-empt major policy decisions about the role the railways should play in the country's transport infrastructure. More prosaically, the constraints, together with the recession and the increasing price resistance by rail users, have rendered completely invalid the railways' corporate planning. The Board has accordingly asked the Government to define the objectives which it should now seek to pursue.

Policy

Meanwhile, on a political plane, Mr. Anthony Crosland, the Environment Secretary, and Dr. John Gilbert, the Transport Minister, are under pressure to produce a major statement on the Government's overall transport policy. At one time, it was said that this would appear before the end of the year: it is now likely, possibly as a White or Green Paper (and equally possibly in neither form) sometime in the spring (or even later).

The "No Rail Cuts" lobby are right, therefore, in sensing that a decisive turning point is now approaching. They have also picked on the key issue, which is the question of what rail services are we, as a nation, prepared to afford during the next five to 10 years. It is a question that has never been methodically analysed since the railways first came into public ownership. Originally, back in the 1940s, it was thought that the role of the railways would be established as part of an overall, integrated public transport system run—or at least presided over—by the Transport Commission. This concept was never really thought through, and would in any case have been totally unworkable.

It was next thought that the proper integrating mechanism was the market place, an approach that eventually culminated in the Beeching reforms of the 1960s. But this, too, was brought to a premature halt when, in 1967, Mrs. Barbara Castle, as Transport Minister, "stabilised" the rail network at the present 11,000 route miles and divided the system into a "commercial" railway and a "social," or grant-aided, railway.

Failed

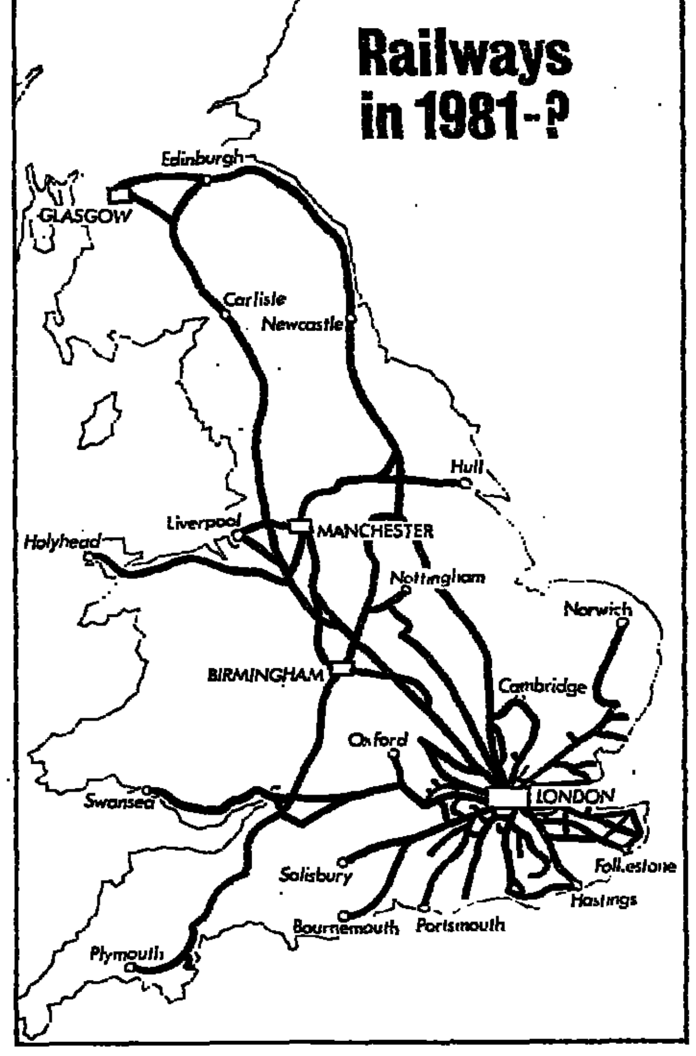
This idea in turn failed, principally because the Rail Board *could never quite bring itself* to believe that a "commercial" railway should invest only up to the level which the system could afford to service out of its own prospective revenue. Then, in 1973, the Board managed to persuade Mr. John Peyton and the Conservative Government that a far greater part of the system should be revenue-supported as the "necessary railway." (The Board wanted to transfer the cost of its track and signalling to the Exchequer: the present passenger support policy was chosen by the present Labour Government as more in keeping with EEC rules).

The fallacies of this approach would, in turn, have eventually become plain, had not they been so quickly exposed under the dual pressure of inflation and recession. If rail passenger services are to be treated as a quasi-social service, what level of services are required and how is this to be decided? And, at managerial level, how does one sustain efficiency and financial discipline under so extensive and open-ended a system of subsidy?

Arguments

The pro-rail lobby is right in recognising that, in order to make an impression, it will have to make some attempt to assess the alleged environmental and social superiority of rail services. But these arguments are by no means all one way. Given so great a concentration of rail freight movement through urban rail-heads, rail is not obviously environmentally more attractive (especially, as we have recently seen, when it comes to building new rail lines). If one considers overall system efficiency, rail traction —and especially rail electric traction—is not all that better, if at all, on energy conservation grounds, nor is energy the only resource to be considered. And Labour Ministers in particular have been disconcerted to find rail and bus subsidies so regressive in terms of income distribution.

Nor is it helpful to the pro-rail case that so many other industrial countries should also be curtailing their rail support programmes. A new railway building age may have dawned in the Third World—and in many urban centres elsewhere. But on the Continent, where railways have been *publicly* owned or regarded as instruments of national policy for far longer, retrenchment is now the order of the day. The best approach, surely, is to soften the process, make it socially palatable, rather than to halt it, let alone reverse it.



The rail unions' view of what Britain's railway network could look like in five years' time: no trains in much of Scotland and Wales and a much-trimmed system operating in England. The key question in the campaign—what, as a nation, is Britain prepared to afford during the next five to 10 years—has never been methodically analysed since the railways first came into public ownership.

Letters to the Editor

U.K. energy gap

From Sir Alan Cottrell, FRS, Master.

...s College, Cambridge.

Sir,—Sir Brian Flowers and David Fishlock (December 3 5) have raised important stions about this country's rgy position at the end of the tury, by which time our North resources will have been ely used up. According to the rgy Technology Support Unit SU), we shall then be short nergy by the equivalent of 20 es our present total installed lear capacity.

It will be impossible to span gap with a nuclear pronme, for several reasons:

Lack of investment capital, o finance a programme on his scale.

Lack of constructional capacity in the nuclear industry, which has declined because of insufficient business in recent years.

Lack of uranium for a large system of thermal reactors.

Lack of operational experience of large fast breeder reactors which is also an argument for pressing ahead as early s possible with a full-scale demonstration FBR station).

Lack of development of fusion reactors, which, though probably essential for the 21st century, could not on the present dilatory EEC timescale be got ready for many years yet.

Lack of public support for a great expansion of nuclear energy, until more experience as been gained.

The "benign and renewable" energy sources such as wind, es, tides, solar, and hot rocks, ll not satisfy more than a ite part of our needs. ...uming also, realistically, that installed nuclear capacity at end of the century will be not h more than about twice that to-day, we must look to coal he one and only means for ...ing the post-1990 gap. The h Sea is giving us a few s to get ready, but we shall every single one of them. ...o major technical develop...ts will be essential. First, to ...lop economic means of ...acting coal from difficult ...ms, almost certainly by ...tely operated machines. And, to advance the tech...es for producing high-grade sulphur fuel oil and gas from

...e country's present pro...me of research and develop...t on these problems, while for its size, is nowhere near ... enough to achieve such ...tives in the time available. ...ieve that it should be greatly ...orced; and the means for are already available, in the ...rch establishments of the ...rnment and the UKAEA.

...Cottrell.

Master's Lodge, ...s College, Cambridge.

The national future

From Mr. W. O. Nutt

Sir,—Your leader "A biolo...r warning" (December 10) ...mely. Your readers have ...n to be concerned at the ...range outcome of present ...s. Yet I question how ...y are familiar with the ...s raised by your leader.

...a recent conference on ...sting in conditions of un...inty, organised by the ...onal Economic Development ...e and the Society for Long ...e Planning, my contribu...ended with a prediction that ...immediate economic pros...s would induce among ...ting businessmen a "where we are going" syndrome. The basis for this prediction was the reactions of businessmen in discussions on planning agreements and related topics during my term as chairman of the Society for Long Range Planning.

My paper pointed out that no concern for evaluation of the medium term future can be expressed without some reference to the evaluation of the long term, say from the mid 1980s. An item of work currently in process seems likely to demonstrate that what a person knows of future possibilities, and particularly the methods by which one can view these, materially conditions the preferred view derived: opinion is based in knowledge.

It seems wrong to me that, within a culture as mature as the U.K., there is no national body collectively examining the long range future prospects for the U.K. We return to the need to educate society about the possible before deriving a consensus on the probable.

Without further delay, we should start a National Futures Institute. Its outputs would have direct and important influence on the values accorded the exogenous variables in medium term econometric modelling. If we are going to evolve into a knowledge society it's as well we start now to use the knowledge we already have.

The relevance to your leader is directly apparent and particularly important for the private sector. Concentrated study since before The Club of Rome involvement and consistent subsequent analysis suggests to me, as now a relative expert, that next to survival the most important issues for businessmen amount to being prepared for the significantly changed future. There should be a national view of future possibilities enabling each sector to orientate itself within these: the private sector of business is especially vulnerable to foreseen change.

W. Owen Nutt.

Birch Close, Leas Lane, Warlingham, Surrey.

Consciousness of class

From Mr. J. Budgen.

Sir,—Joe Rogaly, (December 11), exhibits precisely the obsession with class that Chancellor Helmut Schmidt was deprecating. Class is an expression of social attitudes. Class consciousness is demonstrably more marked in Britain than in many other countries although income differences between Social Classes I and V are generally lower here than abroad. But Mr. Rogaly admits to a yearning for equal incomes and so assumes that they would abolish class differences.

For most of us it is the reward of greater income that encourages us to seek higher qualifications and undertake more onerous work. Income is translated, *inter alia*, into hardware and allowing for personal taste (more TV, fewer telephones) people with higher income will tend to have more of them.

Mr. Rogaly appears to take it for granted that the health and mortality differences between classes I to V arise as a result of the difference in environmental conditions experienced by the members of those classes. If that were so, the mortality rate differences increasing over a period which has seen the introduction of the National Health Service would be puzzling indeed. The fact is surely that people with good health are more likely to succeed in life than those with poor health. The morbidity statistics reflect the increasing equality of educational opportunity and social mobility over the period covered: this has allowed the fit to rise socially and the unfit to fall as never before.

Equalising incomes will not abolish class consciousness; we must teach ourselves to think differently about the inherent differences between people.

J. E. Budgen.

12, The Close, Reigate, Surrey.

Social trends

From Mr. H. Hilton.

Sir,—I cannot accept Joe Rogaly's assumption (December 11) that the figures published in "Social Trends" are evidence of our "damned class-ridden society." No evidence is produced to show that they differ significantly from what one would expect in any developed non-communist country, and in fact I would be very surprised if the standard of living of the more intelligent and enterprising strata of society were not higher than that of the less intelligent and unskilled. The poorer health and education of the unskilled must result at least as much from parental attitudes, sense of responsibility and self-reliance as from any lack of opportunity.

Class antagonisms have little to do with economic factors. The enmity built up between employer and employee during the Industrial Revolution because of the ruthless exploitation of the latter still persists long after its causes have been removed. Union power and enlightened attitudes on the part of Government and employer alike have reduced earnings differentials to a level which do not appear to be startlingly different from elsewhere in Europe, so what is the explanation for the continuing emphasis on "class"?

Many "working class" people (although by no means all) are resentful of their discovery that higher earnings do not automatically produce a standing in society which they envy in others. This standing and the self-respect which goes with it cannot be acquired until there is a change of attitude towards knowledge and culture, a desire to seek the best in life by way, for example, of music, literature and the arts, and a sense of responsibility to the community expressed preferably in service and self-discipline, in other words the despised middle-class virtues.

There is a difference, too rarely recognised, between having a regional accent and murdering every rule of grammar and pronunciation in our beautiful tongue. Illiteracy and inarticulateness are in most cases a sign of a slovenly mental attitude and clear for all to see and hear. It is this, coupled with the fact that no value is placed on education which distinguishes, more than anything else, the lower classes (which in my definition are not the same as the working classes) from the rest of society. Until our educational system can reach out to the children of such people and change them in spite of the inadequacy of the parents (and there is little sign of this happening at the moment), I see no early end to the damaging legacy from which we suffer.

H. R. Hilton.

37, Crown Hill, Rayleigh, Essex.

Leasehold flats

From Mr. P. Perkins.

Sir,—I have always read "Finance and the Family" with interest and to my personal benefit. This applies particularly to the case discussed in your issue of December 6 relating to purchase of freehold as I am the owner of a flat on a long lease.

For the proper and effective running of blocks of flats it is essential for there to be good management. In most cases the landlord is under contractual obligation to maintain the property in good condition, and to provide certain services such as central heating, cleaning, etc., the cost of which he recovers from the tenants. Many difficulties have arisen since the selling of leasehold flats became common practice in this country, over the exploitation of the tenants by unscrupulous landlords. Because of this, the Government found it necessary to include certain safeguards in the Housing and Finance Act 1972 and the Housing Act 1974 whereby the tenants of leasehold flats are given a certain amount of "muscle" with regard to checking the accounts for service charges and for querying unreasonable service charges, etc.

It seems that the solution is for those tenants who wish to buy the freehold and to run the property to form a limited company for the purpose of managing the property and running it. In this way, this company would become the landlord of the tenants who did not wish to participate in the company. These non-participating tenants would be under a contractual obligation to pay their share of maintenance and service charges. They could join the management company on a payment of their share of the cost of the freehold.

Philip H. Perkins.

Flat 4, 15, Lyndhurst Gardens, N.W.3.

IMF and the Opposition

From Mr. J. G. R. Rix.

Sir,—With Mr. Wilson once again applying to the old dope pedlars—IMF—for an even larger "shot," now must be the time for the Opposition to oppose.

Only before the "shot" will it be able to set out what it thinks are the most important actions needed for the long-term good of our country, and particularly actions it *thinks* are not needed. It must inform the IMF of its ideas, offer to discuss them, and deliver an ultimatum linked to each of the more obvious unnecessary Government proposals.

A joint Liberal/Conservative approach, backed as it would be by representatives who had received 54.5 per cent. of the votes at the last election, against a Government which received only 39.4 per cent., should undoubtedly carry weight and influence conditions.

For a start, they could suggest the dropping of the aircraft, ship-repair and ship-building industries nationalisation proposals and threaten to renege on, say, £300m. of any new debt when they come to power, if this was not imposed as a condition. They could suggest that the new facility is drawn against only in phases, and against specific and vigorous improvement in our internal deficit position.

Only when realities are faced by our representatives in Parliament and adequate action taken can the decline in our nation be halted. Now, for a short time, the Opposition have the Government over a barrel—they should show themselves capable of defining at least part of the way out of the mire of debt we are getting into. To save confusion, I am not the John Rix of Vosper Thornycroft.

J. G. R. Rix.

Wodehouse, Headley, Nr. Bordon, Hampshire.

To-day's Events

GENERAL
TUC—Labour Party Liaison Committee meets.
Financial Control in the European Community White Paper.
EEC Finance Ministers and Agriculture Ministers meet in Brussels.
GLC general purposes committee meets and special meeting of the Arts Board.
South West Economic Planning Council report — Retirement to the South West.
Plenary session Rhodesian constitutional talks, Salisbury.
Mr. Roy Hattersley, Foreign Office Minister in Bulgaria.
Dr. Henry Kissinger, U.S. Secretary of State, leaves Heathrow.
Lord Mayor attends Guild of Freemen dinner, Guildhall.

OFFICIAL STATISTICS
Retail trade (Nov.-prov.).
Turnover of catering trades (Oct.)
Borrowing by local authorities (3rd quarter).

PARLIAMENTARY BUSINESS
House of Commons: Debate on the Rate Support Grant Order.
House of Lords: Northern Ireland (Loans) Bill, Licensing (Amendment) Bill, Moneylenders (Crown Agents) Bill, and OECD Support Fund Bill, second readings. Hill Livestock (Compensation Allowances) (Regulations) 1975.

COMPANY RESULTS
Capital and Counties Property (half-year).
Caravans International (full year).
Norcros (half-year).

COMPANY MEETINGS
See Week's Financial Diary on page 17.

SPORT
Boxing: British Welterweight Championship—Pat McCormack v Pat Thomas, Manor Place Baths, Walworth.

MUSIC
Piano recital by Michael Blackmore, St. Lawrence Jewry Next Guildhall, 1 p.m.
City Carol Services: Insurance Institute of London, St. Mary Aldermary, 5.30 p.m.; Tower Ward Club, St. Olave, Hart Street, 6 p.m.; and Lloyds Bank, St. Mary Woolnoth, 6 p.m.
Royal Festival Hall: Massed Choirs of the London Hospitals, conductor Charles Farncombe. Rostal and Schaefer (pianos), James Blades (timpani), John Birch (organ). Fanfare Trumpeters of the Royal Corps of Signals. Carols and Christmas music, 8 p.m.
Queen Elizabeth Hall: Barclays Bank Musical Society Choir and Orchestra, conductor Harold Barnes. Soloists include Frederick Fox (baritone). Programme of Christmas music and carols for choir and audience, 7.45 p.m.

COMPANY NEWS

Norcros ahead—liquidity "excellent"

ON SALES up from £58.63m. to £67.58m. first-half pre-tax profit of Norcros increased from £4.3m. to £4.7m. The figures for the 12 months to March 31, 1975 were £123.55m. and £9.89m. respectively.

The liquidity position is "excellent" and the group is well placed to take advantage of any improvements in the U.K. economy as they occur, the directors say.

Stated earnings per 25p share for the six months advanced from 4.13p to 4.41p—9.33p for the previous 12 months—and the interim dividend is stepped up from 1p to 1.5p net, on capital increased by the September rights issue. It is intended to pay a total of 3.6p against 3p, as previously forecast, to which Treasury approval has been received.

	Half year 1975 £000	Half year 1974 £000	Year 1974-75 £000
U.K. sales	57,033	50,391	105,310
Exports from U.K.	3,926	3,661	8,387
Overseas sales	6,020	4,580	9,450
Total sales	67,579	58,632	123,547
Trading surplus	5,462	5,020	11,731
Share associates	685	498	1,202
Investment income	185	181	271
Total profit	6,342	5,699	13,294
Interest payable	1,638	1,395	3,318
Surplus	4,704	4,304	9,886
Taxation	2,364	2,267	4,966
Minority	242	97	315
Attributable	2,098	1,940	4,605
Pref. dividend	55	50	103
Extraord. debits	—	157	*217
Earnings Ord.	2,043	1,733	4,819
Ordinary dividend	818	424	1,281
Retained	1,225	1,309	3,538

* Credits.

An analysis of U.K. operating division sales (£000s omitted) of £61,559 (£54,052) for the half-year shows construction £20,225 (£17,371); consumer £15,552 (£12,083); engineering £15,274 (£14,974) and printing and packaging £10,508 (£9,624). Contributions to profits are as follows:

	Half year 1975 £000	Half year 1974 £000
Construction	578	595
Consumer	624	222
Engineering	411	651
Printing and packaging	1,231	1,431
Total U.K.	3,144	2,999
Overseas	784	495
Head office and associates	776	810
Total	4,704	4,304

The increase in overseas surplus from 11.5 per cent. to 16.7 per cent. of the total is a direct result of the policy to achieve a wider geographical spread of interests. Overseas offices have been established in areas of economic growth and it is expected they will play an important role in realising the stated objective of earning at least 25 per cent. of group operating surplus from overseas, the directors state.

The average number of employees in the group was 13,568 (14,624 and 15,074 for the year) and external sales per group employee (annual rate) was £9,962 (£8,339 and £8,196).

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Sterling Credit up halfway

Taxable profit of Sterling Credit Group improved from £65,000 to £80,000 in the six months to September 30, 1975—for the full previous year profit was £176,000.

The directors are taking a "cautious" view of current trading, nevertheless, present indications are that year-end results "should be as favourable" as those for last year, they say.

In that event the dividend would be increased by the maximum allowed. The interim is, meanwhile, raised from 0.5625p to 0.6p net, absorbing £24,000. Last year's total was 1.59469p.

	Half year 1975 £000	Half year 1974 £000	Year 1974/5 £000
Income	1,085	1,095	2,174
Interest, etc.	1,005	1,030	1,998
Profit before tax	80	65	176
Tax	20	14	43
Net profit	60	51	133
Pref. divs.	14	6	20
Attrib. ord.	46	45	113

The tax charge of £20,000 represents ACT irrecoverable within two years. No other provision for tax is necessary because of losses brought forward.

The directors are considering a number of opportunities for expansion in the field of financial services which would be complementary to the group's present activities.

Pressure on H. Cox margins

IN THE half year ended September 30, 1975, profits of H. Cox and Sons (Plant Hire) amounted to £248,118, compared with £200,641, including a £38,344 (nil) contribution from Beck and Pollitzer Crane and Transport. Turnover improved from £1.36m. to £1.75m.

Despite worsening trading conditions the profit has been maintained but activity in the construction industry continues to decline and considerable pressures on margins are being experienced, the directors state.

The company is financially strong and borrowings have been reduced since March, 1975, they add.

Earnings per 10p share (on an annual basis) amounted to 4.96p (4.38p). The interim dividend is 0.325p (0.335p) net—the total for 1974-75 was 1.8014p paid from profits of £302,497.

After tax of £129,021 (£104,333), the half year's net profit was £119,097 (£96,308).

Dalmore Whyte debenture repayment

Dalmore, Whyte and Mackay, a wholly-owned subsidiary of Scottish and Universal Investments, will be proposing early repayment at 95 per cent. plus accrued interest to holders of the 7½ per cent. Debenture stock (due to be repaid at 100 per cent. in 1995).

Formal documents will be despatched in the New Year.

Allied Investments up 70%

Including a "significant" contribution from the recently formed overseas health projects' division which has been particularly active in the Middle East and South America, pre-tax profit of Allied Investments expanded by 70 per cent. to £170,000 for the half year to October 31, 1975.

The interim dividend is 0.20009p net, compared with 0.187496p adjusted for the one-for-three scrip. Last year's total was equivalent to 0.626369p, paid from profits of £268,464.

The group owns and runs nursing homes, health centres and has interests in health foods, medical personnel agencies and international consultancy services.

In the first half all divisions traded profitably. Special efforts are being made to minimise any adverse effect from the current situation in the public health sector, state the directors.

The efforts made to expand internationally have resulted in a number of projects now being under way but they find it difficult to assess at this stage the level and incidence of future income from this source.

	Half year 1975 £000	Half year 1974 £000
Turnover	1,737	1,693
Trading profit	243	187
Interest charges	73	87
Profit before tax*	170	100

* After minorities.

Advance at London Multinational

London Multinational Bank reports pre-tax profits up from £1.62m. to £2.13m. for the year ended October 31, 1975. Profits after taxation were £1.01m., against £770,000 for the previous period.

Deposits increased to £305.87m. compared with £238.54m., loans rose to £120.14m. against £114.11m. and total assets rose from £258.28m. at the end of October, 1974, to £327.57m.

The Earl of Cromer, chairman, says he is confident of the quality of the loan portfolio. Control of lending by country and by industry has resulted in very modest exposure to U.K. property, to ship finance and to U.S. Real Estate Investment Trusts, he tells members.

G. Ewer profit growth

FIRST HALF 1975 pre-tax profit of motor coach operators, etc., George Ewer and Co., increased from £210,000 to £259,000, and the directors forecast not less than £450,000 for the year, compared with £367,368 for 1974.

They expect to pay a total dividend (this time in one payment) of not less than last year's. For that year a net total of 0.985p net per 10p share comprised interim 0.335p and final 0.65p.

	Six months 1975 £000	Six months 1974 £000
Sales	5,623	4,308
Pre-tax profit	259	210
Taxation	134	109
Net profit	125	101

Hunslet improves to £0.39m.

INCLUDING A higher contribution from associates and an increase in other income, taxable profit of engineers, Hunslet (Holdings), improved from £0.35m. to £0.39m. during the year to July 31, 1975.

Earnings per 25p share are shown to be up from 14.3p to 18.4p and the dividend is being raised from 1.75875p to 1.87687p net.

	1974-75 £	1973-74 £
Turnover	4,836,190	3,567,584
Share of assoc.	17,192	10,723
Other income	105,004	72,680
Pre-tax profit	389,843	353,899
Tax	169,166	182,236
Minorities	98,000	73,000
Retained	188,066	150,475

Dwek expects 'modest' trading profit

From lower turnover of £2.46m., compared with £2.79m., makers of industrial containers and domestic goods and importers of PVC, Dwek Group, incurred a pre-tax loss of £38,873 in the first half of 1975, compared with a profit of £66,875 in the same previous year period.

However, this outcome is an improvement on last year's second half loss of £72,219 and the directors expect a "modest" trading profit in the current latter half.

They report that this improvement has been maintained during the last few months and will be reflected in an increase in turnover for the six months to December 31, 1975, to over £2.6m.

No interim dividend is being paid (0.335p net). Last year there was no final.

The group balance sheet at the year-end will reflect a decrease in inventories of some £300,000 following disposal at book values of stocks held at December 31, 1974 for which replacement is not required. In this respect, turnover excludes £216,000 realised in the six months to June 30, 1975.

Contracts have been exchanged for the sale of long leasehold premises surplus to group requirements at a price, net of estimated expenses, of £96,000.

	First half 1975 £	First half 1974 £
Turnover	2,455,000	2,792,000
Loss	38,873	*66,875
Tax credit	20,200	35,345
Net loss	16,673	*31,530
Extraordy. credit	21,000	—
Interim dividend	—	25,125
Retained	2,327	6,405

* Profit. † Charge.

Mike Lee

Sir Richard Thompson, chairman of Capital and Counties Property which is due to announce its interim results to-day.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Norcros	int.	†1.5	Jan. 23	1.0	—	3.0
Lovell's Shipping	int.	nil	—	2.0	—	6.97

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Bankers' Investment

Pre-tax revenue of The Bankers' Investment Trust decreased from £727,490 to £666,750 in the half year to October 3, 1975. The figure for the year to April 30, 1975 was £1,415,923.

As known, the interim dividend is unchanged at 0.8375p net per 25p share. Last year's total was 1.90506p.

	Half-year 1975 £	Half-year 1974 £
Franked income*	493,067	469,534
Unfranked	236,031	312,345
Management expenses	36,348	28,389
Debenture interest	26,000	26,000
Pre-tax revenue	666,750	727,490
Taxation	263,772	289,004
Net revenue	402,978	438,486
Pref. dividend	22,522	22,522
Interim Ordinary	324,280	324,288

* Including imputation credit.

Net asset value per share after prior charges at par, at end October was 58p (56¾p at April 30, 1975) including full investment currency premium 6¾p (7¼p).

FT Share Information Service

The following securities have been added to the Share Information Services appearing in the Financial Times:—

Castings
(section: Engineering, Machine tools).

Viking Resources
(section: Overseas-Amsterdam).

Andermor and Sec. Moorside debentures

Both Andermor Investment Trust and the Second Moorside Trust are proposing to exchange their outstanding debenture stocks for stocks of their respective parent companies and, following transfers of their investment protfolios to the parent concerns, to go into liquidation.

All the Andermor one-class share capital is held by River and Mercantile Trust, and all Second Moorside's by Moorside Trust.

Holders of Andermor 8¼ per cent. debenture stock 1989-94 will receive new 8¼ per cent. 1989-94 stock in R and M and those of the 8½ per cent. 1997-2002 in Second Moorside, new 9 per cent. 1997-2002 stock in Moorside. The exchange will be on a £1-for-£1 nominal basis.

The proposals arise from changes in the Finance Act 1972, under which Andermor will cease to have authorised investment trust status and Second Moorside has been prevented from achieving such status.

However, the respective parent companies are expected to qualify for approval as authorised investment trusts for the accounting period starting April 1975 and ending Dec. 31, 1975 and, in consequence of the changes in the Act it is explained, there is no longer any advantage in separate portfolios being operated by the companies and their subsidiaries.

The necessary meetings of Debenture holders will be held on January 5.

Export drive by Brent

Brent Chemicals International, specialist chemical manufacturers, has formed a new export company called BCI Chemical Exports. Its purpose is to expand the group's direct exports from the U.K. and also to co-ordinate the export business handled by the overseas companies.

BCI Chemical will be based at Iver, Bucks., and its managing director will be Mr. Keith Baker.

RESULTS AND ACCOUNTS IN BRIEF

ATLANTA BALTIMORE AND CHICAGO REGIONAL INVESTMENT TRUST—Results, year to September 30, 1975, and net asset value reported November 25. Foreign assets £1,616,267 (£1,325,643). Foreign currency loans £1,223,810 (£1,050,375). Sterling assets £653,561 (£294,411). Net current assets £92,215 (£93,951). Meeting, 20, Birchin Lane, E.C., January 9, at 12.30 p.m.

AUDI FIDELITY—Results year to April 30, 1975 and observations on prospects reported Sept. 16. Group fixed assets £405,372 (£292,703). Net current assets £671,719 (£494,865). Meeting, Leeds, Oct. 24 at 10 a.m.

BRACKEN MINES—Results for year to September 30, 1975, already known. Mining assets R17.13m. (R17.34m.). Net current assets R1.34m. (R1.25m.). Meeting, Johannesburg, on January 30.

CASTLEFIELD (KLANG) RUBBER ESTATE—Final dividend 1.6835p making 2.0645p (1.8546p) net per 10p share year to January 30, 1975. Rubber turnover £475,529 (£744,186) and oil palm fruit £131,464 (£72,906). Profit £154,478 (£153,960) plus investment etc. income £216,145 (£157,027), making £370,623 (£330,987). Tax £139,547 (£161,453). Extraordinary credits £51,773 (£1,464,794). Balance £263,849 (£1,643,328). Dividends £61,935 (£58,058) less transitional (overspill) relief £3,964 (£1,114). To general reserve £222,215 (£1,519,248), forward £94,864 (£101,201). Earnings per share (before extraordinary items) 7.07p (5.95p).

COMMERCIAL PROPERTIES—Gross rents receivable and interest £455,806 for six months ended June 30, 1975 (£384,639). Debenture interest (since paid) £9,200 (£10,290). Profit before tax £350,973 (£307,198). Tax £182,776 (£141,490). Surplus on redemption of 3 per cent. Debentures £8,548 (£1,887). Surplus on sales of property (less estimated tax) £68,797 (£124,515). Debenture redemption fund £20,489 (£19,796). General reserve £77,337 (£126,402). As in previous years, no interim dividend proposed.

DERRITRON (manufacture and marketing of electronic equipment)—Turnover for six months to October 31, 1975 £1,246,000 (£941,000). Profit £91,323 (£57,175) less £47,500 (£34,800). It has been impractical because of closing down of Rushsound factory at Romford, Essex, to include figures in half year results. Full provision for closing down will be made in accounts for eight months to December 31, 1975—the duration of the current trading period—to bring company into line with immediate parent. Tax calculated without reference to possible reduction which may be available by way of "Stock Relief." Consideration of ordinary dividend will be given as and when results for eight months are known. No interim at present time. Last payment 0.5p net per 10p share [illegible] to end-April, 1974. Ultimate holding company is Bryanston Finance.

JESSUPS (HOLDINGS)—Motor engineers and dealers. Results for year to August 31, 1975, reported November 6 with director's comments on prospects. Group fixed assets £1.82m. (£1.64m.). Net current assets £303,145 (£153,173). Meeting, Winchester House, EC, on January 8, at noon.

KILLINGHALL (RUBBER) DEVELOPMENT SYNDICATE—Final 4.665p, making 5.918p (5.432p) year ended June 30, 1975. Turnover £88,132 (£117,306). Trading profit £1,908 (£38,690). Tin tribute £113,319 (£151,031). Investment income £37,989 (£37,345). Share of associates profits £805 (£27,314) making £153,923 (£244,380). Replanting expenditure £3,375 (£2,538). Taxation £95,919 (£138,729). Net profit £54,629 (£105,114). Dividends £45,625 (£42,350). Forward £95,725 (£86,721). Earnings per 10p share 6.84p (13.35p).

KINROSS MINES—Results year to September 30, 1975, already known. Mining assets R43.78m. (R38.49m.). Net current assets R1.6m. (R3.05m.). Meeting, Johannesburg, January 30.

LESLIE GOLD MINES—Results for year to September 30, 1975, already known. Mining assets R26.13m. (R26.34m.). Net current assets R1.61m. (R2.69m.). Meeting, Johannesburg, on January 30.

LEVERS OPTICAL COMPANY—Turnover, half year to June 30, 1975, £173,570 (£396,147). Net profit £2,752 (£8,866), after tax £2,000 (£5,900). Earnings per share 0.4p (1.4p). No interim (same—final 1.029p net). Pre-tax profit is after initial loss £4,519 in respect of a subsidiary which has only just become fully operational and after costs incurred towards refurbishing of manufacturing accommodation at 38 Mount Pleasant.

MESSINA (TRANSVAAL) DEVELOPMENT—Results for year to September 30, 1975, already known. Group fixed assets R124.58m. (R106.64m.). Net current assets R19.79m. (R18.27m.). Meeting, Johannesburg, on January 22.

NORTHERN IRISH AND SCOTTISH INVESTMENT TRUST—Dividend 0.55p net (0.42p). Gross revenue £89,638 (£97,479) for year to October 31, 1975. Net revenue £32,323 (£28,279) after tax of £18,227 (£9,008). Earnings per 25p share 1.15p (0.93p). Net asset value of Ordinary and "B" Ordinary shares 25p (18p). "B" Ordinary holders will receive, in lieu of cash, a scrip issue of 3.2511 "B" Ordinary for every 100 "B" Ordinary held.

ST. HELENA GOLD MINES—Results year to September 30, 1975, already known. Mining assets R50.26m. (R46.4m.). Net current assets R5.56m. (R5.57m.). Meeting, Johannesburg, January 29.

TANGANYIKA CONCESSIONS—Dividend on Cum. Red. Pref. Shares at rate of 9 per cent. per annum for six months ending Jan. 31, 1976 payable Jan. 30.

UNISEL GOLD MINES—Results for year to September 30, 1975, already known. Mining assets R12.26m. (R2.26m.). Net current assets R13.05m. (R8.9m.). Meeting, Johannesburg, on January 29.

WINKELHAAK MINES—Results year to September 30, 1975, already known. Mining assets R40.39m. (R40.34m.). Net current assets R1.9m. (R2.22m.). Meeting, Johannesburg, January 30.

Lovell's Shipping omits interim

MAINLY REFLECTING an "unprecedented fall" in container traffic to and from the Continent and Eire, Lovell's Shipping and Transport Group incurred a pre-tax loss of £243,300 in the first half of 1975. This compares with a profit of £227,800, after £100,000 past pension funding, for the corresponding period of 1974.

As forecast this year has been a "bitter" disappointment after the record results of 1974, says the chairman, Mr. D. D. Lovell.

In the light of the results no interim dividend will be paid, and payment of a final must await consideration of the full-year's trading, the chairman adds. For 1974 a total of 6.97p net, including an interim of 2p, per £1 share was paid from profits of £339,100.

Major economies have been made by all companies and, although the summer quarter showed a further loss, the severe decline has been halted and liquidity is adequate, Mr. Lovell reports.

He stresses that it is not possible to give any adequate forecast for the months ahead, but schemes of rationalisation in the container field are proving effective, and with the full effect of economies becoming available in 1976 the directors consider the measures taken "will enable us to contain further losses."

	Half year 1975 £000	Half year 197[4] £000
Deprn. & leasing	123.0	148.[illegible]
Trading loss	252.3	*348.[illegible]
Int. receivable	9.0	†28.[illegible]
Pension benefits	—	100.[illegible]
Loss before tax	203.3	*227.[illegible]
Tax credit	97.8	†125.[illegible]
Extraord. debit‡	56.0	—
Net loss	162.3	*104.[illegible]

* Profit. † Payable. ‡ Terminal closure of a London wharf.

T. Naylor still sees break-eve[n]

Turnover of carpet [...] T. and A. Naylor expande[d] £1.54m. to £2.04m. for the [...] months to October 25, 197[5] the company incurred a l[oss] £193,373, compared with £1[...]

Although the deficit is l[...] the directors say it is nevert[...] at a substantially lower rat[e] last year's £0.57m. and—as fo[...] —they expect to break ev[en] March, 1976.

The last dividend of 0.87[...] was paid in 1973-74.

BIDS AND DEALS

APPEAL DISMISSED

The Appeal Committee of the City Panel on Take-overs and Mergers meeting on December 11 dismissed an appeal by a Mr. Faust against a previous ruling.

The Panel decided that shares purchased in Ashbourne Investments by Mr. Faust through Topview, a nominee company, from Crest International Securities and the liquidator of Corporate Guarantee Trust, were not eligible to receive the cash alternative to the offer by Central and Sheerwood, announced on November 14.

The appeal, inter alia, was on the grounds that a disciplinary penalty had been imposed by the Panel which was unjustified. The Committee found that in no sense was this ruling a disciplinary penalty. "Mr. Faust had acted with complete honesty in this transaction and no suggestion was made to the contrary."

SHARE STAKES

Martac Aktiengesellschaft has bought a further 8,695 shares in Fairbairn Lawson bringing its total holding to 600,000 (11.25 per cent.).

As at Dec. 3 Slater Walker Securities and its subsidiaries, investment trusts, etc., had an interest in 3,951,523 Estates House Investment Trust Ordinary (20.22 per cent.). This is not a disclosure under the Companies Act.

Ferguson Industrial Holdings has bought a further 29,000 Liner Concrete Machinery shares and its total holding is now 1,910,000 (26.527 per cent.).

Central and Sheerwood as a result of purchases between November 12 and 28 has an interest in 4.42m. Trianco Group Ordinary shares in addition to a holding of 21,900 4.2 per cent. participating Preference shares.

Greenbrook Securities has bought a further 70,000 British Industrial Holdings Ordinary shares. Total holding is 2.29m. shares (17.34 per cent.).

Anglo African Finance Company—parent company of Dent Fownes—bought 3,500 Dent Fownes shares on December 9, making total interest 1,780,377 shares.

Leaderflush (Doors) announces that Hannin Investment Trust has acquired 250,000 Ordinary shares in the company (12½ per cent.).

EASTERN PRODUCE

Eastern Produce (Holdings) loan stockholders have sanctioned the sale of Robert Hudson South Africa (Pty.) and approved the increase in rates of interest payable on the loan stocks from January 1, 1976. The offers to redeem up to 50 per cent. of each loan stock, which remain subject to successful completion of the agreement to sell Hudson are now closed.

For the £1,239,101 9¾ per cent. Convertible Unsecured Loan Stock 1995/2000, acceptances were received for £536,853 which will be redeemed in full. For the £1,740,997 9¾ per cent. Unsecured Loan Stock 1992/1997, there were acceptances for £632,273 which will be redeemed in full and applications for additional redempt[ions] £549,485, to be redeeme[d] to 43.3558 per cent.

After redemptions, there [...] in issue £702,248 Conv[ertible] Unsecured Loan Stock 199[5/2000] and £870,499 Unsecured [Loan] Stock 1992/1997.

TALLAROOK—HOTHLYN

Tallarook Nominees Propr[...] holds acceptances for 5,2[...] "A" shares (93.5 per cent.) [...] 1,412,918 "B" shares (83.8 per cent.) in Hothlyn Corporatio[n] [...] intend to acquire the ba[lance] compulsorily.

PAULS & WHITES

The offers on behalf of [...] and Whites for Barkers an[d] Smith have been accepted [in re]spect of 695,151 Ordinary s[hares] (approximately 86.9 per cent.) [...] 61,219 Preference shares (ap[proxi]mately 81.6 per cent.). The [...] have been declared uncondi[tional] and remain open until fu[rther] notice.

JEFFERSON SMUR[FIT] SALE

Jefferson Smurfit Group [has] sold its 75 per cent. shareho[lding] in church and educational f[urni]ture manufacturers, Frank K[enny] to Mr. Frank Kenny and [...] family interests, for a consi[dera]tion of about £75,000.

ASSOCIATES DEAL[S]

J. Henry Schroder Wagg [and] Co. on December 10 purch[ased] 45,000 Alex Howden at 132[...] behalf of associates. Als[o] bought 12,000 Harold Shea[...] 290½p and 11,000 at 292p on be[half] of associates.

Fielding Newson-Smith and [...] on December 11 sold 500 Mag[...] Joinery at 212p on behalf of [an] associate.

KLOOF ACCIDEN[T]

One mineworker died [...] another was injured when st[ruck] by a steel guide being low[ered] down the No. 2 sub-vertical [shaft] of the Consolidated Gold F[ields] group's Kloof gold mine in S[outh] Africa. Acetylene bottles [were] also damaged and caught fir[e] [...] the resultant smoke affected [...] workers, 35 of whom have [been] sent to hospital for observati[on].

UNIT TRUSTS

UNIT TRUST GUI[DE]

A new guide to unit trus[ts has] just been published, designe[d for] the popular market, e[ntitled] "Unit Trusts: What [...] Investor Should Know." [The] author is Christopher Gi[...] and the publishers are Woo[dhead-]Faulkner of Cambridge in a[ssocia]tion with Slater Walker [...] Management.

As well as giving a g[...] picture of the unit trust bu[siness] and why people should in[vest in] this medium, the book co[vers] the special uses of trusts s[uch as] share exchange facilitie[s and] income withdrawal plans. [...] is given on choosing a [...] savings plan. The booksho[p price] is £1.95.

STOCKHOLDERS UNIT FUND

The final distribution on Units of the Stockholder[s] Fund for the period from [...]ber 13, 1974 to Decem[ber ...] 1975, will be 0.608p net [...] gross) per unit. This [...] 1.308p net (2.012p gross) [...] period compared with 1.9[...] (2.939p gross) for the la[st ...] The corresponding reten[tion] income for Accumulation [...] 1.513p net for the period.

Pending dividends timetable

For the convenience of readers the dates when some of the [m]ore important company dividend statements may be expected in [th]e next few weeks are given in the following table. The dates [sh]own are those of last year's announcements, except where the [fo]rthcoming Board meetings (indicated thus*) have been officially [pu]blished. It should be emphasised that the dividends to be [d]eclared will not necessarily be at the amounts or rates per cent. [sh]own in the column headed "Announcement last year." Preliminary [pr]ofit figures usually accompany final dividend announcements.

	Date	Announcement last year
...exanders Discount	Jan. 20	Final 12.8%
...lied Breweries	Jan. 7	Sec. int. 12.3%
...soc. Dairies	Dec. 22	Int. 6%§
...soc. Paper	Jan. 16	Final 6.9%
...P Indusis.	Jan. 6	Sec. int. 4%
...ker Perkins	Dec. 15	Int. 3%
...risford (S. and W.)	Dec. 18	Int. 10.6%
...C Intnl.	Dec. 17	Final 8.5%
...rton	Dec. 16	Final 8.9%
...mer (H. P.)	Dec. 18	Int. 5.2%
...venham	Dec. 18	Int. 5%
...arterhouse Group	Dec. 18	Final 13%
...y of London Brewery	Jan. 13	Sec. int. 2.7%
...mpair	Dec. 17	Final 10.4%
...ncrete	Jan. 17	Int. 8%
...tillers	Dec. 16	Int. 6%
...bson Park	Dec. 18	Final 15.8%
...stern Produce	Dec. 5	Int. nil
...ectronic Rentals	Jan. 9	Int. 7.7%
...glish China Clays	Jan. 20	Final 7.6%
...glish Prop.	Dec. 19	Int. 3.7%
...and Metropolitan	Jan. 24	Final 5.7%
...thrie	Dec. 18	Int. 5.9%§
...ll (Mathew)	Dec. 18	Int. 7.8%
...kson and Welch	Jan. 9	Final 15.6%
...mung (S.)	Dec. 30	Int. 7.7%
...Gas	Dec. 16	Int. 4%
...scape	Jan. 23	Int. 5%
...al Services	Dec. 19	Int. 5.2%
...ernational Timber	Jan. 7	Int. 13.8%
...nson-Richards (... & R.) Tiles	Dec. 17	Int. 6.8%
...es Stroud	Jan. 8	Int. 9.5%
*LRC Interntl.	Dec. 16	Int. 12.7%
*Lloyds Bank	Feb. 20	Final 5.6%
Manbre and Garton	Jan. 15	Final 12.6%
*Marley	Dec. 16	Final 8.5%
McCorquodale	Jan. 8	Final 11.3%
*MEPC	Dec. 18	Final 2.75%
*Meyer (Montague L.)	Dec. 16	Int. 5.4%
*Norcros	Dec. 15	Int. 6%
Rank Organisation	Jan. 29	Final 20.9%
*Redland	Jan. 15	Int. 6.2%
*Richardsons Westgarth	Jan. 21	Int. 3.1%
*Rothmans International	Dec. 18	Int. 6.5%
Samuel (H.)	Jan. 9	Int. 5.2%
Scottish & Newcastle Brews.	Jan. 23	Int. 6.5%
SCB	Jan. 13	Final 13.3%
Stead and Simpson	Jan. 9	Int. 3%
*Stenhouse	Dec. 15	Final 10.4%
Tate and Lyle	Jan. 23	Final 4.7%
Thorn Electl.	Jan. 15	Int. 11.5%
Tobacco Securities	Jan. 8	Final 49.8%
*Trafalgar House	Dec. 17	Final 10%
*Unigate	Dec. 17	Int. 6%
Union Discount	Jan. 22	Final 16.5%
Ward (Thos. W.)	Jan. 13	Final 13%
Warren Tea	Jan. 17	Int. 3.5%
*Westland Aircraft	Dec. 17	Final 8.9%
Wilkinson Match	Jan. 23	Int. 4.9%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

[LO]CAL AUTHORITY loan rates [con]tinued to decline last week, [wit]h the sharpest reductions [aga]in recorded in the shortest [per]iods. Deposits with local [aut]horities at two-days' notice fell 10⅝-10¾ per cent. from 11-11⅛ [per] cent., while deposits at seven-[day]s' notice eased to 10⅝-10¾ per [cen]t. from 11-11⅛ per cent. One-[mon]th deposits declined to 10⅞-11 [per] cent. from 11-11⅛ per cent., [the] three-month to 11-11⅛ per [cen]t. from 11¼-11⅜ per cent. The one-year mortgage rate was quoted at 11⅞-12 per cent. against 12¼-12⅜ per cent. on the previous Friday.

The Financial Times Government Securities Index finished at 58.42, compared with 58.13 at the end of the previous week.

One year local authority bonds were placed during the week at £99⅞, with a coupon of 11⅞ per cent., compared with 11⅞ per cent. issued at par, during the previous week.

* Rate (%) December 12, 1975	
[2] days' notice (deposit receipt)	10⅝—10¾
[7] days' notice (deposit receipt)	10⅝—10¾
[7] days' notice after one month (deposit receipt)	10⅞—11
[7] days' notice after three months (deposit receipt)	11—11⅛
[7] days' notice after six months (deposit receipt)	11⅛—11⅜
[Mor]tgage at one month's mutual notice after 11 months	11⅞—12
[Mor]tgage at one month's lender notice after 11 months nominal term 2-5 years	n.a.
[2 y]ears' mortgage	12¾—12⅞†
[3 y]ears' mortgage	13—13¼†
[4 y]ears' mortgage	13½—13¾†
[5 y]ears' mortgage	13¾—14†
[1]0 years' mortgage	n.a.
[2]0 years' mortgage	n.a.

* Rates are for sums not less than £20,000 and are subject to local [vari]ations and fluctuations. † Nominal. ‡ Shorter periods may attract [hig]her rates than longer. n.a. Not available.

[P]ublic Works Loan Board rates

Effective from December 13, 1975

Years	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans* Repaid By instalments	Non-quota loans* Repaid At maturity
[Up] to 5	12½	12¾	13	13¼
[Ove]r 5, up to 10	12¾	13½	13¼	14¼
[Ove]r 10, up to 15	13	14½	14¾	15¼
[Ove]r 15, up to 25	14¾	15¼	14¼	15¾
[Ove]r 25	15¼	15¼	15¾	15¼

* Non-quota loans B are 1 per cent. higher in each case than [non]-quota loans A.

[A]mber Day rights

[Th]e circular relating to the [pro]posed rights issue by Amber [Day] to raise approximately [£...]m., and conversion of the [...]00 Preferred Ordinary 10p [shar]es into Ordinary shares, has [bee]n posted.

[Th]e directors intend to [ann]ounce interim results in [resp]ect of the six months to [Octo]ber 30, 1975 on January 9, [whic]h are expected to show that [trad]ing during the current year is satisfactory, and they intend to declare an interim dividend of 0.7271p (net) per share (same). The new Ordinary shares will not rank for this dividend.

As known Treasury consent has been received to increase the total dividend payable in respect of the current year to a maximum of 2.08p (net) per share. The previous year's total was 1.37932p.

Extraordinary meeting Jan. 9.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

INTERNATIONAL COMPANY NEWS

Swiss bank will not transfer assets

BY JOHN WICKS

ZURICH, Dec. 14.

A SPOKESMAN for the Swiss Credit Bank of Zurich to-night categorically denied that the Bank was prepared to transfer assets of the Harwood Group from Switzerland to New York, as has been ordered by an American judge.

A district judge in Zurich, acting upon an application by the companies of the Harwood Group, last week passed an injunction forbidding the Swiss Credit Bank to transfer group assets to its New York branch, as demanded by the U.S. judge.

Swiss Credit Bank would thus make itself liable to prosecution under Swiss law if it were to meet the demands of the U.S. Securities and Exchange Commission. The Bank, whose lawyers are already contesting the case in New York, had already countered "vehemently" all allegations in connection with the case, denying that SEC regulations had been contravened and disputing the legality of the U.S. court order. It is understood that negotiations are still in progress in New York.

Some days ago, the Swiss Life Insurance and Pension Company, also of Zurich, issued a statement to answer Press reports that it was also involved in the Harwood case. The company stated that over the past years a number of annuity policies had been issued in Switzerland and in Swiss francs to the clients of American Institute Counsellors and that all of these had, in every way, conformed to Swiss regulations. The payment of premiums and annuity benefits had always been made directly through major banks in strict conformity with the existing U.S. foreign exchange regulations, as well as those of the Swiss National Bank. The AIC had publicly advertised its investment counselling services and the SEC had been aware of the fact from the very first.

Profit slip seen for Perstorp

By William Dullforce

STOCKHOLM, Dec. 14.

PERSTORP, the Swedish chemicals, building and consumer products concern, anticipates a further profit slip during the current financial year following a plunge in pre-tax earnings from Kr.97m. to Kr.31m. (£3.4m.) in the year ending August 31, 1975. Mr. Karl-Erik Sahlberg, the new managing director, however, states in the final annual report that the concern's liquidity and financial position are strong enough to allow it to prepare "calmly and methodically" for the next upswing and a return to satisfactory profitability in 1976-77.

Group sales rose by 5 per cent. to Kr.699m. (£78m.) but only 59 per cent. were effected abroad, compared with 68 per cent. in the previous year. The fall in demand and subsequent price competition on the European market, coupled with a rise in manufacturing and marketing costs of close to 20 per cent., are the main reasons for the decline in earnings. The yield per share adjusted for the 1975 bonus issue fell from Kr.38 to Kr.13 and the Board has proposed a dividend of Kr.3.50 per share compared with Kr.4 last year.

Perstorp has been pursuing a diversification and heavy investment programme for some years. Mr. Sahlberg emphasises the need for consolidation in the immediate future, particularly in the newly acquired foreign subsidiaries, which are at present a burden on group earnings. He believes there is scope for further product development within the concern's traditional chemical field in addition to the short-term rationalisation and longer-term diversification programmes.

Move to clamp down on new notes issues

BY JOHN WICKS

ZURICH, Dec. 14.

THE SWISS National Bank has sent a circular to banks stressing that the placing of medium-term Swiss-franc notes by foreign borrowers can only be permitted when such issues are in the form of real private placements.

Recently, the central bank has noticed a trend towards note issues in which the placing ability of the responsible bank or banking consortium has been exceeded and efforts have been made to find sub-participants for the transactions.

The national bank has therefore laid down that at least 60 per cent. of the value of a foreign private placement must be placed with the responsible bank's or banks' "regular clientele" that note placements may not be mediated and that no more than 10 banks may take part in a syndicate for the placing of a given note issue.

This year is expected to be a record one for private placements by foreigners in Switzerland, the notes issued estimated at some Sw.Frs. 5bn., as compared with Sw.Frs.2.8bn. for 1974. The Swiss National Bank, which earlier this year lifted ceilings on such borrowings, is in principle in favour of them.

World Economic Indicators

TRADE STATISTICS

		Oct. '75	Sept. '75	Aug. '75	Oct. '74
U.K. £bn.	Exports	1.740	1.583	1.486	1.347
	Imports	1.946	1.788	1.864	1.841
	Balance	−0.206	−0.205	−0.378	−0.495
U.S.A. $m.	Exports	9,288.1	9,165.0	8,996.2	8,672.8
	Imports	8,212.2	8,188.6	7,961.0	8,773.2
	Balance	1,075.9	976.4	1,035.2	−100.4
Japan $m.	Exports	4,760	4,454	4,325	5,536
	Imports	4,410	4,042	3,809	4,560
	Balance	+350	+420	+516	+796
Italy Lirebn.	Exports	2,080	1,970	1,711	1,882
	Imports	2,277	2,380	1,627	2,395
	Balance	−197	−410	+84	−513
France Frs.m.	Exports	18.2	18.511	18.884	18.284
	Imports	19.7	18.419	17.652	20.590
	Balance	−1.5	+0.092	+1.232	−2.306
W. Germany DMbn.	Exports	20.50	18.50	15.47	21.39
	Imports	17.60	15.73	13.72	16.77
	Balance	+2.80	+2.80	+1.70	+4.62
		Sept. '75	Aug. '75	July '75	Sept. '74
Netherlands Fl.m.	Exports	6,389	5,107	5,775	6,652
	Imports	6,766	5,308	5,756	6,694
	Balance	−377	−201	+19	−42
		Aug. '75	July '75	June '75	Aug. '74
Belgium Bel.Frs.bn.	Exports	66.272	79.406	88.104	75.929
	Imports	74.263	81.731	95.435	90.743
	Balance	−7.991	−2.325	−7.331	−14.814

Papyrus pays more, but bid battle looms

By William Dullforce

STOCKHOLM, Dec. 14.

PAPYRUS, THE paper concern which last month made a takeover bid for the Kopparfors pulp and paper company, reports unchanged earnings for the year ending September 30, despite a drop in group sales from Kr.494m. to Kr.391m. (£44.6m.) and proposes to raise the dividend from Kr.3 to Kr.4 per share. The final report for the year shows group earnings after non-operating income and expenses of Kr.76.7m. (£8.8m.) against Kr.75.5m. in the previous year.

Meanwhile, Veckans Affarer, the Stockholm weekly economic paper, reports resistance among Kopparfors shareholders to the offer of five new Papyrus shares for two Kopparfors shares, which amounted to no more than the prevailing market price. The main attraction in the Papyrus offer is the escape from capital gains tax for those Kopparfors shareholders who have held their shares for five years or more, during which their value has doubled.

MINING NOTEBOOK

A look at what's been happening in 1975

BY LODESTAR

AT THE END of 1974 the price of gold at $186 an ounce was retreating from its efforts to break through $200. It is now $138.75, having banged on a floor of around $130. The value of that other major mining commodity, copper, was £536 a tonne. It is now £563, having been down to just under £500. Tin was $920 a picul in Penang. It is now $967. Zinc at £307 on the open market compared with a producer quotation of £360. Now the respective levels are £340 and £390. Lead stood at £225. It is now £184.

The Australian Government was clobbering its mining industry. Much the same political obstacles were being encountered in Canada, particularly in the No. 1 mining growth province there, British Columbia.

I wrote here that in the outlook for 1975 there had to be taken into account "one of the greatest unknowns that has ever had to be faced during a writing life-time on mining matters." This was the ever-growing tendency for governments all over the world to adopt the attitude towards the discovery and exploitation of mineral resources that ranged from the creaming off of most of the profit incentive to outright nationalisation.

The conclusion drawn was that a situation had to eventuate in which governments would either have to start back-tracking from their pell-mell, and in many cases ill-thought out, rush down the slippery fiscal and nationalistic slopes or face the prospect of their long-suffering tax-payers having either to shoulder all the capital losses in a high-risk industry or face a future period of mineral stringency when new finds will fall behind the exhaustion factor of existing mines.

So what has happened since? Well, at least on the political side there have been some second thoughts. In this context there has been a remarkable parallel between British Columbia and Australia. Both governments threw overboard ministers who had been intent on destroying the future of their mining industries, Leo Nimsick in BC and Rex Connor in Australia, prior to being thrown out themselves. This happened in British Columbia on Thursday and in Australia on Saturday.

Royalties

The mining industry in British Columbia still has to face the universal Canadian problem whereby the provinces and the federal government are vying with each other in tearing the fiscal heart out of the country's mining industry, but at least in BC itself there could be a turning away from that most destructive impost of all, punitive royalties which take no account of profitability but merely render uneconomic huge tonnages of ore the payability of which is already being eroded by inflationary pressures on costs.

In Australia, even before the sacking of Connor, the Labor government had been showing distinct signs of reversing its restrictive mining policies, which had been mainly directed towards choking off much needed investment from overseas and at the same time clamping down on the ability of the industry to bring in equally vital export earnings, particularly those from the country's huge uranium finds.

It can, however, be taken for granted that the Australian mining scene generally will become a much brighter prospect with a change of government and that in particular the potential uranium miners, Peko-Wallsend, EZ Industries and the high-flying Pancontinental, will have a much better chance of reaping adequate rewards for their enterprise and the risk capital involved in finding deposits which are big by world standards.

In Canada the BC government change will add a touch of piquancy to the efforts being made by the RTZ group's Rio Algom to take over the 40 per cent. of the big Lornex copper operation that it does not already own, a move that has already been turned down by Yukon Consolidated with its 20 per cent. stake. Other shareholders could also be having second thoughts about the bid, the closing date for which is now December 31.

Gold shares

On the gold front the bullion price has dropped by 25 per cent. since the end of last year and our gold mines index by 36 per cent. to 225.5, having peaked at 442.3 in May. In looking at the South African golds it also has to be borne in mind that the investment currency premium has risen 32 per cent. to 117¼ per cent. since end-1974.

There is no doubt about one thing. The bullion market is in for a very testing time in 1976 with few people prepared to stick out their necks predicting what effect the 25m.-ounce offer by the IMF will have on the price, even though it now looks as though central banks will be allowed to take the gold into their reserves at market-related values.

One bullish factor is the intention to use the profits from the IMF sale to help finance aid to the developing countries. Presumably even the Americans will wish the sum so realised to be as big as possible, and will not want to use the sales as yet another weapon in their armoury of price depressing tactics.

The gold share market at the moment bobs about like a puppet on the metal price strings. So it is hardly a haven for the nervous. The customary advice from brokers is to steer clients into such shares as Buffelsfontein, East Driefontein, Free State Geduld, Hartebeest, President Steyn and West Driefontein, in other words into the "quality" stocks with a dash of uranium.

What a lower gold price can do to the marginal mines has been dramatically shown in the recent half-yearly dividend declarations which were tabulated in Saturday's Mines in the News column. But for anyone who thinks that 1976 is really going to be a golden year then the shares of such mines, typified by East Rand Proprietary, Durban Deep and West Rand Consolidated, will be the real money-spinners.

Finance houses

My own view is that the shares of the mines themselves are probably best left alone at the moment, and that anyone who is hankering after a stake in gold should go for the finance houses, particularly Consolidated Gold Fields (despite Wheal Jane) which also has the advantage at 201p of being free of the investment currency handicap.

The coming year could also be an exciting one for Union Corporation in view of its link with the Federal Mynbou tie-up with Anton Rupert's Rembrandt group, a partnership which could signal a powerful new force in the South African mining world. Unfortunately, UC shares at 415p carry the investment premium.

And De Beers at 287p cum premium (169p ex premium) should not be forgotten, particularly by those outside the U.K. who do not have to suffer from the present vastly inflated currency premium. To quote London brokers James Capel, the shares follow the Dow index like a dog on a lead. So they should appeal to bulls of Wall Street in 1976.

It is pointed out that the devaluation of the rand should benefit the company, while the prospective yield on a forecast dividend for next year of 35 cents (20p) is historically high for the non-premium payer.

I hear that the miners at Consolidated Gold Fields' Wheal Jane tin property in Cornwall have had their request for three extra days' holiday at Christmas turned down by management on the grounds that this would be contrary to the Government's wage policies.

However, the Transport and General Workers Union has been asked to take the matter to the Advisory Conciliation and Arbitration Service and Gold Fields is waiting for a reply to this request. The unhappy background is that, hit by high costs and low tin prices, the mine is reckoned to be losing about £100,000 a month and its future must thus be in serious doubt.

INSURANCE

Money Which?—a jungle guide

BY OUR INSURANCE CORRESPONDENT

THE DECEMBER edition of Money Which? is given over entirely to insurance. Together with two main sections on life and motor insurance the editors have crammed into 36 pages a deal of good advice on the range of personal insurances the average citizen needs. Inevitably within this small compass the advice is generalised. The reader is given a guide to enable him to find his way, in Consumers Association's words "through the insurance policy jungle—which seems to be getting more dense year by year."

This time, sensibly, no attempt is made to compare motor insurers' prices, for in the months since the Association's team began work on this particular survey most motor insurers must have effected increases. But a small "for example" table of basic premiums shows just how expensive motor insurance has now become, before one deducts NCD entitlement and other premium discounts—around £150 for "comprehensive" cover on a 1600 cc saloon garaged in the Home Counties and of course substantially more in the big conurbations.

Much of the information in the motor section is imparted by way of short question and answer paragraphs and the answers are usually sound enough and succinctly put. But no insurer will subscribe to the misleading statement on motor insurance documents that a "certificate of insurance is evidence that you have at least the minimum insurance required by law. It must be produced when you tax your car or if a policeman asks to see it."

All this is true, but only half true. On such a fundamental point of motor insurance law a prominent correction needs to be published in the next issue of "Money Which?" The law is clear—unless insurers have delivered the motorist his certificate of insurance, for the purposes of our compulsory insurance laws any policy he has is of no effect and if he uses his car on the road he runs the risk of prosecution, conviction and perhaps disqualification.

Surprising

Having surveyed the life assurance cover held by some 580 members, "Money Which?" records that half seem to be under-insured while out of 221 who had bought life assurance simply for the protection of their dependents, 145 nevertheless had purchased much more expensive investment-type insurance. The first finding is not surprising, but the second is, since the association's membership must be derived largely from the AB groups who comprise the readership of the quality newspapers, wherein clear advice is frequently offered on the difference between protection and investment contracts and on the need of the family man to ensure that he has a sufficient degree of protection for his dependents before buying anything else.

Part of the blame for this situation is placed by Money Which? on the commission structures which make it more profitable for intermediaries to sell investment-type contracts and on the way in which some insurers remunerate their own sales staff. But the report does not balance the picture by reminding its readers that companies such as the Prudential when introducing unit linked life assurance gave very positive instructions to sales staff that such contracts were to be sold only to those who had adequate orthodox life cover.

As a long standing advocate of the merits of term assurances, and more specifically family income benefit polices, I am pleased to see that Money Which? comes down firmly in their favour. It is always good to have one's research done painlessly, and the list of offices selling increasing family income benefit policies, 27 in number, will provide a quick reference to the identity of those companies, the percentage increases they offer, and when most percentages begin to run. A second life table lists 17 companies selling term assurances which allow policyholders at the end of such terms, to replace their cover without further medical and irrespective of their then state of health—again a very helpful aide memoire.

Other parts of the survey range swiftly over the citizen's need for such diverse covers as holiday insurance, hospital cash insurance, permanent health insurance and personal liability cover. Each such short section concludes with a paragraph—"Worth getting?"—a phrase which sums up my own view of this particular edition of Money Which?

Philip Morris EEC plans

Financial Times Reporter

PHILIP MORRIS Europe announced that it is planning to expand, modernise and restructure its production facilities in the EEC over a five-year period.

Included in these plans is construction of a modern cigarette plant in Gembloux, Belgium, with a production capacity larger than the total capacity of the company's two rented factories in Ixelles and Forest, Belgium, which would be subsequently phased out by the mid-1980s. Investment in all Belgian facilities could total about $45m.

In addition, Philip Morris Europe is considering further expanding and modernising its cigarette plant in Bergen op Zoom, the Netherlands, over five years. This expansion would make it possible to consolidate in the Bergen op Zoom factory the production now being carried out at that plant and in a rented factory in the city of Eindhoven.

INSURANCE BASE RATES

† Atlantic Assurance ... 12%
Cannon Assurance 9½%
† Address shown under Insurance and Property Bond table.

Money & Exchanges

Bank of England Minimum Lending Rate 11½ per cent. (since November 28, 1975)

Short-term fixed period interest rates were again easier in the London money market last week. The one-month sterling certificate yield fell to 10{11/16}-10¾ per cent. from 11{1/16}-10⅞ per cent., the two-month to 11-10⅞ per cent. from 11{3/16}-11 per cent., and the three-month to 11{1/16}-10{15/16} per cent. from 11{3/16}-11{1/16} per cent. The 12-month rate eased to 11⅜-11¼ per cent. from 11½-11{5/16} per cent. at the end of the previous week.

At the weekly Treasury bill tender the average rate of discount eased by 0.0844 per cent. to 10.8931 per cent. and the Bank of England Minimum Lending Rate was unchanged at 11½ per cent.

Day-to-day credit conditions tended to be patchy. The authorities purchased a very large amount of Treasury bills and corporation bills to relieve the shortage on Monday, but a good supply of credit on Tuesday led to a surplus, which was absorbed by moderate sales of Treasury bills. Conditions on Wednesday were expected to be good, but a slight shortage was relieved by moderate official purchases of Treasury bills. A further surplus of credit was mopped up by moderate sales of Treasury bills on Thursday.

Sterling finished the week at its lowest ever closing level against the U.S. dollar, following adverse reaction to the Government's plans to give financial assistance to the Chrysler Corporation. The pound ended at $2.0185-2.0195, a fall of 55 points on the week. Its trade-weighted average depreciation since the Washington Currency Agreement, widened slightly to 30.1 per cent. from 30 per cent. previously. For most of the week sterling had remained fairly firm at around $2.0235 in terms of the dollar, and at 30 per cent. on a trade-weighted basis.

The dollar was firmer against most major currencies, but was weaker against the Swiss franc during the early part of the week. The dollar's trade-weighted depreciation since the Washington Agreement, narrowed to 1.59 per cent. from 1.91 per cent. at the end of the previous week.

Gold closed unchanged on the week at $138¼-$139¼, after showing an easier trend at the beginning of the week, but improving on Wednesday and Thursday.

EXCHANGE CROSS-RATES

Dec. 12	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
[illegible]							

FORWARD RATES

	One month	Three months
New York	0.85-0.75 c. pm	2.48-2.60 c. pm
[illegible]		

* Six-month forward U.S. dollar [illegible]

EURO-CURRENCY INTEREST RATES*

Dec. 12 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German Mark	Swiss Franc
[illegible]						

SPECIAL DRAWING RIGHT RATES

[illegible]

GOLD MARKET

	Dec. 12 1975	Dec. 11 1975
Gold Bullion (fine ounce) Close	$138¼-139¼	$139½-140½
Opening	$139¼-140¼	$138½-139½
Morning fix'g	$139.35 (£69.050)	$139.40 (£68.911)
Afternoon fix'g	$138.70 (£68.677)	$140.20 (£69.293)
Gold Coins (domestically) Krugerrand	$141¼-143¼ (£70-71)	$142-144 (£70¼-71¼)
New Sov'rgns	$44½-46½ (£22-23)	$44½-46½ (£22-23)
Old Sov'rgns	$44½-46½ (£22-23)	$44½-46½ (£22-23)
Gold Coins (Int'rn'ally) Krugerrand	$141¾-143¾ (£70¼-71¼)	$142¾-144¾ (£70½-71½)
New Sov'rgns	$42¼-43¼ (£21-21½)	$42½-43½ (£21-21½)
Old Sov'rgns	$42¼-43¼ (£21-21½)	$42½-43½ (£21-21½)
$20 Eagles	$217-220	$218-221
$10 Eagles	$110-115	$112-115
$5 Eagles	$71-74	$73-76

FOREIGN EXCHANGES

Dec. 12 1975	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	8	2.0185-2.0225	2.0185-2.0195
Montreal	8¼	2.0490-2.0550	2.0530-2.0540
Amsterdam	4½	5.45-5.46	5.45½-5.44½
Brussels	6	78.85-80.02	79.85-80.05
Copenhagen	7½	12.41-12.45	12.43½-12.44½
Frankfurt	3½	5.30-5.33	5.35¼-5.31¾
Lisbon	5½	54.50-54.90	54.65-54.85
Madrid	7	120.40-120.75	120.45-120.65
Milan	6	1,380-1,395	1,380-1,382
[illegible]			

OTHER MARKETS

[illegible]

WEEKLY AVERAGES OF U.K. INDICES

[illegible]

[U.K. MONEY MARKET RATES]

Dec. 12 1975	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills	Bank bills	Fine trade bills
[illegible]										

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

Heavy activity in new issues

BY MARY CAMPBELL

THE RUN-UP to Christmas notwithstanding, new issue activity on the Eurobond market continued at a rapid pace last week. Two Canadian dollar issues were increased in size while no less than five further U.S. dollar issues were announced.

Of the two Canadian dollar issues, Canadian Pacific's Can.$25m. 9¾ per cent. six year issue was increased to Can.$35m. and priced at 100½. More surprisingly, perhaps, Newfoundland's Can.$25m. ten-year 10½ per cent. issue was also increased, to Can.$30m. Pricing here was 100¼.

New issues to be announced were $20m. for the European Investment Bank; $25m. for the Canadian company Polysar; $30m. for the Industrial Bank of Japan; and two floating rate note issues, one of $25m. for Crédit Commercial de France and the other $25m. for the Latin American institution Adela. The European Investment Bank financing is another experiment in shifting the management for an issue to the far east. Manager is Indo-Suez and Morgan Grenfell (Singapore), coupon is 9 per cent. and maturity six years. The Polysar issue, lead manager is Wood Gundy, offers an indicated coupon of 10 per cent. on a seven year maturity. The Industrial Bank of Japan's $30m., for which Morgan et Cie is the lead manager, offers an indicated 9½ per cent. for five years.

Of the two floating rate note issues, Crédit Commercial de France is offering a spread of a quarter of a point over inter-bank rates for a six year maturity via Crédit Suisse White Weld. The Adela issue offers a spread of 1⅞ per cent. for seven years. Lead managers are Barings and European Banking Company. The minimum interest on the CCF issue has been set at 7½ per cent. and on the Adela issue at 8 per cent.

Rival bid for Ripolin

By Rupert Cornwell

PARIS, Dec. 14.

THE FRENCH paint company Ripolin-Georget-Freitag is now at the centre of a take-over battle pitting the Belgian oil group Petrofina against an unnamed bidder, which the Paris financial community is convinced is the State-backed chemicals concern CDF-Chimie.

News of a rival to Petrofina's Frs.80 per share offer came on Friday afternoon with a brief announcement by the Stockbrokers Association that the suspension of Ripolin shares would continue, following notification of a second bid.

Its origin, however, remains uncertain. CDF-Chimie, a subsidiary of the publicly-owned coal mining body Charbonnages de France, has declined to comment on the Ripolin situation, but it is well-known that the company had been approached by the Government to help in a French solution that would prevent the paint company falling into foreign hands.

As matters now stand the terms revealed on Thursday by Petrofina contain an offer of Frs.80 for a minimum of 183,000 shares representing 51 per cent. of Ripolin's equity. They were last quoted at Frs.64 apiece before their suspension as long ago as November 17, on rumours of a bid. The Belgian company is reported to have already secured the support of two major Ripolin shareholders, alone holding 23 per cent. of its capital.

Hanimex banks on Ireland

Financial Times Reporter

DIRECTORS OF Hanimex, the leisure industries group, are confident that strong growth in profits will be achieved as soon as the world's major economies improve, the chairman, Mr. Arthur Uther, said in the annual report. Sales rose 42 per cent. to $A57m., but net profit was 25 per cent. down at $A1.77m.

"Under these circumstances, our plans now call for an eventual move of photographic manufacture from Australia to Ireland, where we are presently building manufacturing facilities."

Mr. Uther reports production will start in Cork on a pilot basis in July 1976. "The Irish plant," he says, "is expected quickly to become one of the world's most competitive and leading suppliers of photographic equipment and we regard the establishment of this plant as a major element in the company's future growth potential."

Jardine scrip dividends mo

HONG KONG, Dec.

JARDINE MATHESON shareholders approved a re tion to amend the comp articles of association to payment of scrip dividends. October the company dec an interim 1975 scrip divi with cash option of 18 cer share.

Jardine Matheson said ho of 114,723,069 Ordinary sh took up the cash option 69,600,630 the scrip dividenc

*

The Stellux group of H Kong has purchased Orac, S makers of high-quality gold metal watch cases, the S Watchmakers Federation has nounced.

Stellux, which has already up a Swiss sales branch, has formed a central comp Unilux, to co-ordinate activ of its Swiss acquisitions.

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

		*Industrials	†Composite
Dec.	12	98.33	87.83
"	11	98.32	87.80
"	10	98.68	88.69
"	9	97.76	87.30
"	8	97.46	87.07
"	5	97.13	86.82
"	4	98.37	87.54
"	3	98.54	87.60
"	2	99.88	89.33
"	1	101.55	90.67
Nov.	28	102.19	91.24
1975 High		107.40 (15/7)	96.91 (15/7)
1975 Low		77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Dec. 10 1975	Dec. 3 1975	Dec. 11 1974
Ind. Ord. yield pc	3.81	3.84	5.02
Ind. Ord. p/e ratio	12.16	12.09	7.45
Long-term Govt. Bds. per cent.	6.12	6.08	6.33

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Avon Products	301,300	35¼	+⅞
Texaco	211,000	22½	−⅛
Polaroid	186,500	25¾	−1½
Travelers	148,500	25¾	−⅞
CITI	139,400	26⅞	+⅞
Warner Lambert	116,100	30¼	+1¼
Sony	107,500	9⅞	−⅛
Southern Co.	102,400	13¼	−⅛
General Motors	99,700	56⅞	+⅛
Xerox	94,800	48¼	+⅞

TORONTO

INDUSTRIAL INDEX

Dec. 12	Dec. 11	1975 High	1975 Low
172.00	171.26	196.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Dec. 12	Dec. 11	1975 High	1975 Low
176.96	176.63	205.61 (15/7)	159.95 (2/1)

COMBINED INDEX

Dec. 12	Dec. 11	1975 High	1975 Low
173.83	173.26	195.00 (12/7)	155.05 (2/1)

JOHANNESBURG

	Dec. 12	Dec. 11	1975 High	1975 Low
Industrials	203.6	203.2	238.9 (16/7)	183.2 (23/1)
Gold	205.5	202.7	379.1 (2/1)	199.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Dec. 11	Dec. 4	Nov. 27
On Dividends	6.04	5.92	6.34
On Earnings	9.99	9.48	10.54

SYDNEY ALL ORD. INDEX

Dec. 12	Dec. 11	High 1975	Low 1975
440.53	435.78	440.79 (6/12)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Dec. 15	Dec. 12	High 1975	Low 1975
314.00	314.33	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ⊕

Dec. 12	Dec. 11	High 1975	Low 1975
328.72	325.73	341.57 (9/6)	160.42 (3/1)

SINGAPORE INDEX §

Dec. 12	Dec. 11	High 1975	Low 1975
227.28	227.69	268.69 (11/3)	163.26 (8/1)

EUROPE

	Dec. 12	Previous	1975 High	1975 Low
Belg'm (a)	104.95	106.11	111.81 (16/6)	89.07 (2/1)
Denm'k (b)	99.74	99.45	100.25 (2/12)	75.06 (15/1)
France (d)	68.8	69.3	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	749.0	749.8	771.6 (1/12)	573.5 (2/1)
Holland (f)	94.2	95.1	107.6 (6/5)	83.2 (2/10)
Italy (g)	84.37	85.05	106.88 (21/2)	75.41 (17/10)
Spain (h)	105.25	104.23	110.96 (22/4)	91.55 (19/9)
Sweden (k)	390.81	327.85	409.21 (12/11)	310.56 (9/1)
Switz'rl'd (m)	271.0	271.9	295.1 (6/5)	208.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

AUSTRALIAN WEEKLY LIST

TEL AVIV STOCK EXCHANGE

Source: Bank Leumi Le Israel, Tel Aviv.

HONG KONG

† Buyer. ‡ Seller. n nominal. xd ex-div.

CORAL INDEX Close 360-365

SINGAPORE STOCKS

* Bid. † Buyer. ‡ Seller.

I.G. INDEX GOLD 137-140

JOHANNESBURG

AUSTRALIA

CANADIAN WEEKLY LIST

OVERSEAS SHARE INFORMATION

NEW YORK

Investment premium based on $2.60 per £1—117% (119½%)

CANADA

GERMANY ♦

MILAN

AMSTERDAM

PARIS

SWITZERLAND ●

COPENHAGEN

VIENNA

STOCKHOLM

SPAIN ♥

BRUSSELS/LUXEMBOURG

TOKYO ¶

OSLO ♦

Source Nikko Securities Tokyo.

AUTHORISED UNIT TRUSTS

G.T. Unit Managers Ltd.♥
16, St. Martins-le-Grand, EC3. 01-600 9401

G.T. Cap. Inc.	54.1	57.5	-0.8	3.90
Do. Acc.	61.5	65.4	-0.9	3.90
G.T. Inc. Fd. Un.	101.4	107.8	+0.2	9.20
G.T. U.S. & Gen.	115.7	123.0	.....	1.10
G.T. Japan & Gen.	170.7	180.6	+4.8	0.80
♦Gt. Pens.Ex.Fd.	110.4	115.9	.....	2.50

G. & A. Un. Tst. Mgrs. Ltd. (a) (G)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	24.8	26.5xd	.....	4.93

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share es previously shown under regional headings is presented below with quotations London. Irish issues, most of which are not officially listed in London, are wn separately and with prices as on the Irish exchange.

any Inv. 20p	16	.....	Graig Ship. £1	305	.....	Shiloh Spinn.	27	+2
Spinning	33	+3	Hallam Sleigh 10p	6	.....	Sindall (Wm.)	50	.....
tom	21	.....	Higsons Brew.	95	.....			
wtr. Est. 50p	135	.....	I.O.M. Stm. £1	128	+3	IRISH		
er Croft	35	.....	Holt (Jos.) 25p	260	.....			
g & Rose £1	320	+5	Kleen-e-Ze	17xd	+½	Alliance Gas (£1)	80	.....
on (R.A.)	30xd	+5½	Lovell's Ship £1	95	.....	Carroll (P. D.)	128	-2
s & McHdy.	78	.....	N'thn. Goldsmith	89	.....	Clondalkin	58	.....
ns Fr'k. 10p	33	.....	P.M.A.	47	+4	Concrete Prods.	92	.....
red	10	.....	Pearce (C. H.)	80	.....	Goodbody (£1)	34	.....
Forge	40	.....	Peel Mills	12	.....	Heiton (Hldgs.)	29	.....
lay Pkg. 5p	16	.....	Richards 10p	13	-½	Irish Distillers	67xd	V-½
& Reed 50p	130	+5	RobbCaledon5p	37	.....	Irish Wire	40	.....
iner & Sons	11	.....	Sayers 12½p	7	.....	Jacob	73	.....
dner (L.)	61	.....	Sheffield Brick	65	.....	Sunbeam	8	-2
			Sheff. Refrshmt.	140	.....	Unidare	63	.....

FINANCIAL TIMES STOCK INDICES

—	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 5	A year ago
Government Secs.	58.42	58.63	58.64	58.53	58.28	58.15	49.54
Fixed Interest	58.68	58.61	58.61	58.89	58.72	58.67	50.58
Industrial Ordinary	362.3	358.1	352.9	354.5	350.8	357.6	152.2
Gold Mines	225.5	234.1	231.1	226.3	232.4	240.1	358.8
Ord. Div. Yield %	5.80	5.87	5.79	5.78	5.84	5.73	13.89
Earnings Y'ld % (full) (a)	16.17	16.29	16.11	16.07	16.23	15.95	35.97
P/E Ratio (net) (b)	9.00	8.95	9.03	9.05	8.96	9.12	3.88
Dealings marked	5,252	5,674	5,657	5,654	6,125	5,796	5,894
Equity turnover £m.	—	61.20	52.14	48.65	40.75	48.85	39.12
Equity bargains total	—	14,878	13,902	13,510	13,203	12,767	11,597

10 a.m. 357.6. 11 a.m. 361.7. Noon 360.9. 1 p.m. 362.6.
2 p.m. 362.6. 3 p.m. 362.4.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=5.93.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (30/5)	49.18 (6/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	63.31 (21/5)	50.53 (6/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	377.8 (19/11)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/6)	218.4 (1/12)	443.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Dec. 12	Dec. 11
Daily—		
Gilt-Edged	139.1	151.2
Industrials	177.9	197.4
Speculative	32.2	49.5
Totals	119.1	129.1
5-day Av'r'ge		
Gilt-Edged	162.9	167.7
Industrials	195.1	199.4
Speculative	43.7	45.6
Totals	129.0	131.6

FT—ACTUARIES INDICES

—	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 5	A year ago
Industrial Group	144.67	143.87	145.58	145.57	144.69	146.96	59.01
Shares	159.06	158.21	159.91	160.26	159.20	161.67	63.49
Div. Yield %	5.82	5.84	5.78	5.77	5.81	5.70	15.19
P/E Ratio (net)	9.32	9.17	9.26	9.28	9.21	9.34	3.71
Shares	152.35	151.81	153.34	153.68	152.50	155.00	61.92
Yield %	14.89	14.88	14.89	14.87	14.98	14.96	17.35

BASE LENDING RATES

AFI International	11 %	Julian S. Hodge	12 %
Allied Irish Banks Ltd.	11 %	Industrial Bank of Scot.	11 %
Anglo-Portuguese Bank	11½%	Keyser Ullmann	11½%
Henry Ansbacher	11½%	Knowsley & Co. Ltd.	12½%
Banco de Bilbao	11 %	Lloyds Bank	11 %
Banco de Jerez	11½%	London & European	11½%
Bank of Cyprus	11 %	London Mercantile	11½%
Bank of N.S.W.	11 %	Midland Bank	11 %
Banque du Rhone S.A.	11½%	■ Samuel Montagu	11 %
Barclays Bank	11 %	■ Morgan Grenfell	11 %
Barnett, Christie Ltd.	12 %	National Westminster	11 %
Bremar Holdings Ltd.	12 %	Northern Comm. Trust	11½%
Brit. Bank of Mid. East	11 %	Norwich General Trust	11½%
Brown Shipley	11½%	Portman Guaranty	11 %
Cayzer, Bowater Co. Ltd.	11½%	P. S. Refson & Co.	11 %
Cedar Holdings	11 %	Rossminster Accept'cs	11 %
Charterhouse Japhet	11½%	Schlesinger Limited	11½%
C. E. Coates	11½%	E. S. Schwab	12 %
Consolidated Credits	12 %	Security Trust Co. Ltd.	12½%
Co-operative Bank	*11 %	Shenley Trust	12½%
Corinthian Securities	11 %	Standard Chartered	11 %
Credit Lyonnais	11 %	Sterling Credit	12½%
J. R. Dawes	12 %	Thames Guaranty	11 %
Duboff Brothers	12 %	Trade Development Bk.	11 %
Duncan Lawrie	11 %	Twentieth Century Bk.	12½%
English Transcont.	12 %	United Bank of Kuwait	11 %
First London Secs.	11 %	Whiteaway Laidlaw	11½%
Antony Gibbs	11 %	Williams & Glyn's	11 %
Goode Durrant Trust	11 %	Yorkshire Bank	11 %
Greyhound Guaranty	11 %		
Grindlays Bank	11 %		
Guinness Mahon	11 %		
Hambros Bank	11 %		
Hawtin & Partners	13 %		
Hill Samuel	§11 %		
C. Hoare & Co.	†11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%. 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 7½% and over £25,000 8½%.
§ Demand deposit 8½%.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

BURGESS PRODUCTS Company (Holdings)

(Light electrical and acoustical engineers)

Anticipated Recovery Delayed

	1975 £	1974 £
Group Turnover	14,565,737	10,426,214
Profit before taxation	166,590	449,484
Profit after taxation	156,605	333,067
Dividend per share*	5.0434p	4.93656p
Earnings per share	3.1p	6.4p

* includes associated tax credit.

Extracts from Mr. W. Riddell's Statement:

The fact that improvements anticipated in the Interim Statement were not achieved is almost entirely due to continuing unexpectedly high losses at Burgess Industrial Silencing. The other U.K. Companies all made profits during the year.

It is taking longer than anticipated for Burgess Industrial Silencing to achieve a satisfactory level of efficiency in its new location, and the many difficulties of recruitment, training and lack of job experience have been added to by large fixed price contracts, most of *which date back to 1972 prior to rapidly escalating inflation. These* loss-making contracts are nearing completion and improvement on the very poor results to date is expected in the coming year.

Burgess Products' original equipment sales have been maintained and penetration of the replacement market continues. Market penetration of Burgess Architectural Products has been increased and orders for Metal Ceilings are encouragingly high. Additional sales effort is now being directed to overseas markets. Burgess Power Tools has experienced a considerable fall in demand, particularly in Europe, but there may now be some slight signs of improvement overseas.

The year's output at Micro Switch was a record, and the order book is now down to manageable proportions with lead times beginning to match market requirements, although the market is still depressed by previous standards.

This was a disappointing year for Burgess G.m.b.H. with the recession in the German market necessitating short-time working. In Canada, Burgess Switch Company has had another satisfactory year: both turnover and profits being substantially increased. This improvement is expected to continue.

COMPANY NEWS

Two major problems at Higson's Brewery

IN HIS annual statement, the chairman of Liverpool-based Higson's Brewery, Mr. K. R. Mackenzie, tells members that the group has two major problems.

First, in the short term, he *anticipates* a reduction in the public's spending power and secondly in the long term, in common with many capital intensive industries, is the provision of sufficient funds for replacements and developments, particularly on the commercial side. The size of the latter problem can be measured by the example of the period 1961-71 during which time the company built or purchased 26 new pubs as compared with five only in the last four years.

The first of these problems may be difficult and uncomfortable to live with, says the chairman, but he is reasonably confident that Higson's is "as well placed to cope as any competitor operating in this area of high unemployment where fortunately the pub and the club still have an enormous pull."

The problem of financing the building of new outlets, can only be solved (other than by borrowing) by way of a reduction in corporation tax or the granting of fiscal incentives for commercial building," declares Mr. Mackenzie. "Given such assistance by the Government I know that we have the enthusiasm, the expertise and the staff to expand our business along the lines determined by the Board," he adds.

The prices of products—both wholesale and retail—have, by the effect of price controls, been kept lower than is commercially and competitively desirable, states the chairman. Competitive prices do not appear to boost sales significantly in the retail on side of the business, but "it will be interesting to see whether this situation changes as the spending power of the public declines in the months ahead."

If it does, he says, Higson's will be better placed than most competitors on Merseyside," but even so I doubt that we will hold our present level of sales."

For the first time details of the strength and bar prices of beers have been included in the accounts.

As reported on October 31, pre-tax profits rose from £1.19m. *to £1.38m. in the year to September 27, 1975.* The dividend is 3.67p (3.45p) net.

Meeting, Liverpool, on January 6 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims — Beechwood Construction, Caffyns, Capital and Counties Property, Crown House, Linfood, Robert Moss, Alexander Russell.

Finals—Caravans International, Compton Partners, Martin the Newsagents, Wearra Group.

FUTURE DATES

Interims—	
Braham Miller	Dec. 16
Cook (William) and Sons (Shef.)	Dec. 22
Culter Guard Bridge	Jan. 16
Danks Cowerton	Dec. 16
Eucalyptus Pulp	Dec. 18
Johnson-Richards (H. & R.) Tiles	Dec. 17
Plysu	Dec. 18
Portsmouth & Sunderland Nwsprs.	Jan. 15
Weston-Evans	Dec. 17
Finals—	
North British Steel	Dec. 18
Raeburn Inv. Trust	Jan. 16

Kaduna Syndicate

Kaduna Syndicate, a holding company with interests in tin mining, more than doubled its profits from £115,831 to £305,282 in 1974, on turnover of £1.11m. against £0.7m.

Earnings are shown to be up from 3.49p to 6.05p per 10p share. There is no final dividend, leaving the 1.326p net interim to compare with the 1973 total of 1.199p.

Tax for the year took £170,517 (£81,691) and £85,878 (loss £7,338) *was retained.*

Better first half at J. Swan

Profit, before tax, of John Swan and Sons, live stock auctioneers and estate agents, more than doubled from £38,300 to £87,700 in the half year to October 31, 1975 including investment income of £3,400 (£2,900).

Turnover improved from £152,000 to £225,000 and tax took £45,600 (£19,900).

Last July the chairman, Mr. J. Whitton, said it was proposed to pay the maximum permitted dividend for the current year. Last year's payment was 16.12p net and profits £79,658.

Upsurge at Goldrei Foucard

TAXABLE profit of food manufacturers, Ch. Goldrei Foucard and Son, showed a sharp increase from £75,452 to £137,637 for the half year to September 27, 1975.

The directors do not expect second half results to be at a similar level, but profits for the full year should exceed the 1974-1975 record £180,581, they state.

The interim dividend is raised from 0.67p to 0.73p net—last year's total was 2.01p.

The profit is struck after providing a proposed additional contribution to the company's pension fund and half of the death benefit due to the widow of Mr. B. M. Goldrei, totalling £22,812. Mr. L. H. Goldrei is the new chairman.

	Half year 1975 £	1974 £
Turnover	3,076,607	2,574,978
Pre-tax profit*	137,637	75,452
Tax	76,771	39,607
Net profit	60,866	35,845

* After £22,512 proposed contribution to pension scheme and death benefit.

Increase at N. Midland Construction

After rising from £79,100 to £104,551 inthe first half, profits of North Midland Construction finished the year to August 31, 1975 up from £204,996 to £293,505 subject to tax of £154,101 against £114,300. Turnover expanded from £2.19m. to £3.11m.

Earnings are shown to be up from 7.2p to 10.5p per 10p share and the dividend is lifted from 1p to 1.1p with a final of 0.65p.

Sharp fall in revenue from spirit tax

FINANCIAL TIMES REPORTER

TAX-PAID clearances of spirits for home consumption fell steeply in August, reflecting the national crisis and some earlier over-stocking by wholesalers and retailers and recovered only marginally in September, according to statistics just issued after long *delays by Customs and Excise.*

They observe that "clearance documents have been entered inaccurately in many cases" and that in consequence "the figures published contain errors. First researches suggest that there may have been a small understatement of home-produced spirits in total, while within mature spirits (Scotch whisky) *there has been an over-recording* of malt spirit"—or straight malt whisky.

Bearing this in mind, it emerges that total spirits tax payments in August fell by 25 per cent. compared with the previous August to 1,719,000 proof gallons, so making the year's running total 16,217,000 gallons, down by 0.5 per cent. against last year's similar period. In September, total clearances of spirits advanced by 6.8 per cent. to 2,759,000 gallons, and the running total of 18,977,000 gallons was just 0.49 per cent. ahead of last year.

All spirit categories showed startling decreases in their August tax-paid clearances, Scotch whisky falling by 32.9 per cent. to 797,000 gallons, gin and vodka by 20.4 per cent. to 318,000 gallons, rum by 16.5 per cent. to 192,000 gallons, and brandy by 9.4 per cent. to 125,000 gallons.

Other brandies

That Scotch total, however, included 772,000 gallons of blended Scotch, itself a decrease of 33.9 per cent., and the controversial 26,000 gallons of straight malt whisky, an increase of 23.8 per cent. While the gallonage is comparatively small, the size of the percentage increase has possibly perturbed the official statisticians, though there must surely be no real reason to deny this return to Scotland's original whisky.

Similarly with Scotch's running total of 8,369,000 gallons some 1.8 per cent. down on last year's period, which comprised 8,111,000 gallons of blends, representing a 3.3 per cent. decrease, and 258,000 gallons of malt whisky, an 84 per cent. advance.

Because of August decreases, gin and vodka—officially grouped as "immature spirit"—registered only a 5 per cent. advance in the period, to 4,298,000 gallons, and rum was down by 6.6 per cent. to 1,680,000 gallons.

The August brandy total of 125,000 gallons included 89,000 gallons of cognac—a 13.59 per *cent. decline*—and 36,000 gallons of other brandies, a 2.8 per cent. advance. The same pattern was repeated in the running total of 1,153,000 gallons, itself down by 1.5 per cent., which inclued cognac at 793,000 gallons down by 4 per cent. and others at 360,000 gallons up by 5 per cent.

Tax-paid clearances in September advanced by 6.8 per cent. to 2,759,000 as wholesalers and retailers re-stocked after severely depleted inventories in August, but this meant that the running total of clearances of 18,977,000 gallons was only 0.49 per cent. ahead of last year's period.

Scotch clearances again headed the poll, and rose by 7.6 per cent. in September to 1,398,000 gallons, made up of 1,369,000 gallons of blends — a 7.37 per cent. improvement — and 29,000 gallons of malt whisky, a 20.8 per cent. gain.

This brought Scotch's run total to 9,768,000 gallons decrease of 0.6 per cent., a t comprised of 287,000 gallon malt whisky — a 75 per c advance — and 9,481,000 gal of blends, a 1.9 per cent. against the previous ye period.

The immature spirits, gin vodka, made a 22 per cent. to 861,000 gallons in Septem but earlier reverses meant the running total of 5,159 gallons was only 7.7 per c ahead. Rum tax payments back 10 per cent. in the mo to 239,000 gallons, so the ning total of 1,919,000 gal was still down by 7 per cent.

Total brandy tax payments by 21 per cent. to 145,000 gal in the month, comprising 105 gallons of cognac—a 28 per c decrease—and 40,000 gallon Others, a 2.5 per cent. adva Similarly brandy's running t of 1,298,000 gallons was d by 4 per cent. on last ye period, and its cognac cor nent of 898,000 gallons was d by 7.8 per cent. while Ot moved up by 4.9 per cent 400,000 gallons.

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

APPOINTMENTS

John Watkinson joins Plessey

Dr. John Watkinson has joined PLESSEY in the new post of director of operations staff. He will be the company's senior staff adviser on marketing, manufacturing, research and development, reporting to the newly-formed chief executive office.

In May 1974, Dr. Watkinson was appointed to the Board of Redman Heenan International and became managing director in October of that year. He now leaves Redman Heenan to take up his new position with Plessey.

★

Mr. M. N. W. Burch has intimated his resignation as executive chairman and as a director of HIGHGATE AND JOB GROUP from January 1. On that date Mr. T. D. Carnwath who is retiring from Peat Marwick Mitchell, will join the Board and be appointed chairman.

★

Mr. C. G. H. Cooke is to be chairman of VENESTA INTERNATIONAL. He retains his existing executive role as managing director. Mr. Richard Roberts, deputy chairman, has retired from the Board.

Dr. Philip Sykes, a former deputy chairman of Reed International, and Mr. Gilbert A. Hunt, chairman of Chrysler U.K. Ltd., have joined as non-executive directors.

Mr. Arthur Surch, who continues as an executive director, will join the Board of the group's French subsidiary, Luterma SA.

★

Mr. David B. Scott has succeeded Mr. James Beattie as managing director of COSTAIN CONCRETE. Mr. Beattie has retired and will act in a consultative capacity to the group.

★

Mr. D. J. Bennington and Mr. S. T. Lane have been appointed directors of BOWATER PACKAGING.

★

Mr. Edmund M. Majewski has been appointed managing director of SONAB, the U.K. subsidiary of Sonab AB.

★

Mr. A. Brindle, former chief executive of Seaspeed, British Rail Hovercraft, has joined the Board of HOVERMARINE.

★

Mr. C. F. S. Gibney has been appointed to the Boards of LOMBARD AND ULSTER BANKING, and LOMBARD AND ULSTER LEASING.

★

Mr. A. W. Vickers has been appointed managing director of COSWORTH ENGINEERING. This will allow the chairman Mr. D. K. Duckworth to relinquish day-to-day executive responsibilities and devote more time to ensuring the future security of the company.

★

Mr. L. H. Goldrei, formerly vice-chairman, has been appointed chairman and managing director of GOLDREI FOUCARD AND SON. He succeeds his brother, the late Mr. B. M. Goldrei. Mr. R. L. Baillieu becomes vice-chairman.

★

Mr. M. R. Dunnett, chief surveyor of the PRUDENTIAL ASSURANCE COMPANY, will be retiring on December 31 and will be succeeded by Mr. E. E. Chapman.

Mr. G. Bowler has been appointed a director of BRITISH AVIATION INSURANCE from January 1 on the retirement from the Board of Mr. S. Betteswortb.

★

Mr. John Whicker has been appointed president of BARCLAYS BANK of New York and local director of BARCLAYS BANK INTERNATIONAL, New York. At present he is managing director of Barclays Bank of Zambia in Lusaka.

★

From January 1 Mr. Peter Hayman, group financial controller, EMI, assumes the new appointment of group treasurer. Mr. Anthony Todman joins EMI from Monsanto Engineering as group controller. Both the group treasurer and group controller will be responsible to Mr. Richard L. Watt, group director, finance.

★

Mr. A. B. Millar has been appointed financial director and Mr. N. C. Morris as a director of D.M. LANCASTER.

★

Mr. A. J. Walls has been appointed a director and deputy chairman of SWAN RYAN INTERNATIONAL.

★

Miss Jennifer Tanburn is to join the Board of the U.K. food distribution division of BOOKER McCONNELL on January 1. Miss Tanburn joined the division as head of research and consumer affairs in January, 1975, having previously been head of the special projects division of Lintas.

★

Mr. J. H. E. Allison has joined the Board of CARRINGTON VIYELLA GROUP, the principal subsidiary of Carrington Viyella.

Mr. Hugh Rudkin has been appointed sales director at Eden Fisher and of St. Clements Fosh and Cross, members of the HARRISON GROUP.

Mr. N. K. Crook has become a director of MARLEY BUILDING SUPPLIES.

★

Miss Olive Stephenson, Reader in Social and Administrative Studies at the University of Oxford and a Fellow of St. Anne's College Oxford, has been appointed to the new chair of social work at the UNIVERSITY OF KEELE. She is the first woman professor appointed at Keele.

★

Mr. K. D. Wickenden, chairman of European Ferries, has been elected to the Board of KEYSTONE INVESTMENT.

★

Mr. Paul Brandram, Mr. David Low and Mr. Mark Garthwaite have been appointed directors of SEASCOPE INSURANCE SERVICES. Mr. Paul Brandram, who is at present a vice-president of FRANK B. HALL INC., New York, is resigning that position and joining Seascope with special responsibilities for developing its international business.

★

Mr. Michael N. Somerville has been appointed general manager of LOMBARD INSURANCE and manager in Hong Kong of the insurance division, JARDINE MATHESON. Mr. Somerville succeeds Mr. T. T. Harley, an assistant director of Jardine Matheson, who moves to the private office of directors to co-ordinate the group's insurance interests.

★

Mr. H. N. Hughes has been appointed managing director of STONE AND WEBSTER ENGINEERING. Mr. Peter Smith, secretary, has joined the Board and Mr. Lawrence P. Hallee has become manager of operations.

★

Mr. John Attenborough has retired from the chairmanship of EDUCATIONAL ASSOCIATES, Hong Kong. Mr. John Curran has become chairman and Mr. Philip Attenborough joins the Board.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Env. Design at St. Katharine-by-Tower (cl. Jan. 3)	Design Centre, S.W.1
Jan. 1—11	International Boat Show	Earls Court
Jan. 1—11	Camping and Caravan Exhibition	Olympia
Jan. 4—7	Brighton Gift Fair	Metropole Centre
Jan. 6—10	Homes, Food, Fashion and Leisure Exhibition	Derby
Jan. 10—15	Harrogate International Toy Fair	Ex. Hall & Royal Htl., H'gate
Jan. 10—17	Ideal Home Exhibition	Wool Exchange, Bradford
Jan. 10—17	Intnl. Racing and Sporting Motor-cycle Show	Royal Hortic. Halls
Jan. 10—18	Holiday '76 Show	Bingley Hall, Birmingham
Jan. 11—15	West Country Gifts Fair	Palace Hotel, Torquay
Jan. 14—21	International Hotel and Catering Exhibition	Olympia
Jan. 18—21	International Slipper Fair	Blackpool
Jan. 19—24	Ulster Motor Show	Belfast
Jan. 20—23	Stationery Industry Exhibition	Grosvenor House, W.1

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Caravan Show (cl. Dec. 17)	Amsterdam
Jan. 5—8	Hotel and Restaurant Industry Fair	Amsterdam
Jan. 5—8	Travel and Leather Goods Souvenirs Fair	Utrecht
Jan. 6—9	European Knitwear Exhibition	Milan
Jan. 7—9	Consumer Electronics Show	Chicago
Jan. 8—12	Carpet and Floor Coverings Exhibition	Paris
Jan. 9—18	National Sports and Boat Show	San Francisco
Jan. 14—18	Cellar Machinery and Equipment Exhibition	Zaragoza, Spain
Jan. 14—18	Home Furnishing Textile Fair	Frankfurt
Jan. 15—19	National Furniture Exhibition	Paris
Jan. 15—20	International Lighting Exhibition	Paris
Jan. 15—26	International Pleasure Yachting Exhibition	Paris
Jan. 16—25	Do-It-Yourself Exhibition	Stockholm
Jan. 19—24	International Farming Machinery Exhibition	Amsterdam

BUSINESS AND MANAGEMENT CONFERENCES

Current	Coverdale: Prep. Conf. for Middle Man. (cl. Dec. 19)	Brockenhurst, Hants.
To-day	P-E Cons.: Fin. for Non-Fin. Managers (cl. Dec. 19)	Training Centre, Egham
Dec. 16	Econ. Models Grp.: Economic Prospects for 1976	30, Old Queen Street, S.W.1
Dec. 16	Henley Centre: Exchange Rate Movements in 1976	Carlton Tower, S.W.1
Dec. 16	Invest. and Prop. Studies: Taxation of Trustees	Royal Lancaster Hotel, W.2
Dec. 17	BACIE: Youth Employment and Training	Royal Lancaster Hotel, W.2
Dec. 18	Euro. Study Conf.: Practical Trust Planning	Hilton Hotel, W.1
Dec. 30—31	IEE: Electronics in Crime Prevention	Savoy Place, W.C.2
Jan. 5—9	BACIE: People in Training	Burlington Hotel, Eastbourne
Jan. 5—9	P-E Cons. Grp.: Leadership in Management	Training Centre, Egham
Jan. 8	Euro. Study Conf.: EEC Patent Convention	Inter-Continental Hotel, W.1
Jan. 12—13	Brunel University: Managing Uncertainty	Uxbridge
Jan. 15	WTI: Trading Opportunities with COMECON	World Trade Centre, E.1
Jan. 15—16	IPM: The Secretary In Personnel Management	Whites Hotel, W.2
Jan. 21	BIM: Selection Interviewing—Theory and Practice	Management House, W.C.2
Jan. 21	Imp. College of Science: Productivity Analysis	Imperial College, S.W.7
Jan. 21—22	Inst. of Fuel: Energy—Brake of Break	Cafe Royal, W.1

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

SATURDAY, DECEMBER 20

DIVIDEND & INTEREST PAYMENTS—
British Printing Cpn. Dbs. 3¼pc 3¾pc 3¾pc and 4¼pc
British Transport 4pcStk. (1972-77) 2pc
Massey-Ferguson 25 cts
Photax (London) 1.05p

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
1M	1S	Exch.6½pc 1976‡‡	99½	28.7	6.56	11.07
15F	15A	Treasury 6½pc 1976‡‡	97	9.7	6.70	11.11
1M	1S	Victory 4pc 1976‡‡	98⅝	28.7	4.04	—
14J	14D	Treasury 10½pc 1976‡‡	99xd	7.11	10.56	11.08
10M	10S	Treasury 6½pc 1977‡‡	95	9.7	6.57	10.58
15M	15S	Electric 3pc 74-77	95	11.8	3.16	7.24
26M	26S	Treasury 11½pc '77‡‡	100⅞	20.8	11.40	10.88
15M	15N	Treasury 3pc '77‡‡	93⅛	9.10	3.22	6.87
20J	20D	Transport 4pc '72-77	92¼xd	13.11	4.34	8.25
15M	15S	Treasury 9pc 1978‡‡	94	11.8	9.52	11.79
14J	14J	Treasury 10½pc '78‡‡	97xd	8.12	10.76	11.66
26M	26S	Exchequer 5pc '76-78‡‡	88	20.8	5.65	9.83
9M	9S	Treasury 11½pc '79‡‡	99	4.8	11.51	11.48
17M	17S	Treasury 3pc '79‡‡	81¼	11.8	3.67	8.79
26M	26S	Electric 4¼pc 74-79	83¼	20.8	5.10	9.57
1M	1N	Treasury 10½pc '79‡‡	95½	25.9	10.99	11.94
		Do. 10½pc 1979 'A'	95½	—	10.99	11.93
15M	15N	Electric 3½pc '76-79	82	9.10	4.23	8.98
3M	3S	Treasury 9pc 1980‡‡	89	28.7	10.03	12.16
14M	14N	Treasury 9½pc '80‡‡	90	8.10	10.45	12.20
15J	15D	Treasury 3½pc '77-80	82¼xd	10.11	4.26	8.34
15J	15D	Funding 5¼pc '78-80‡‡	85¼xd	10.11	6.16	9.37
		Five to Fifteen Years				
15J	15J	Treasury 11½pc 1981	95¾xd	9.12	11.93	12.50
15F	15A	Do. 3½pc '79-81	78	9.7	4.43	8.97
15J	15J	Do. 8½pc '80-82‡‡	84xd	9.12	10.03	12.13
17M	17S	Treasury 12pc 1983‡‡	99¼	11.8	12.45	12.78
15J	15J	Funding 5½pc '82-84‡‡	70xd	9.12	7.71	10.93
10J	10J	Treasury 8½pc '84-86‡‡	77xd	4.12	10.95	12.36
1M	1N	Funding 6½pc '85-87‡‡	66	25.9	9.83	12.04
26J	26J	Treasury 7¾pc '85-88‡‡	71⅞	19.6	11.25	12.88
1J	1J	Transport 3pc '78-88	43½xd	25.11	6.93	11.77

††BANKS AND HIRE PURCHASE

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
Feb.	Aug.	AldermanSec 10p	21	21.4	ϕ0.67	ϕ	4.9	ϕ
Aug.	Mar.	Alexanders D. £1	212	14.7	g11.66	—	8.5	—
		Algemene Fl 100	£101	12.8	Qh20%	1.8	3.5	15.7
Oct.	June	Allen Harvey £1	370	8.9	†13.5	—	5.6	—
Dec.	June	Allied Irish	124	3.11	Q25%	—	5.0	—
April		Anglo Contnl.	42	373	—	—	—	16.9
Jan.	July	Arbuthnot L. £1	170	1.12	†7.61	—	6.9	—
July	Jan.	Aust. & N.Z. £1	425xd	12.12	9.7	—	3.5	—
F My Ag Nv.		BankAmer. $3.125	£33	9.7	Q$1.48	—	0.0	—
April		Bk. Hapoalim I£1	32¾	1.4	Qsh9 4%	—	2.0	—
July	Jan.	Bk. Ireland £1	370	3.11	Qh16%	—	4.3	—
Mar.	Sept.	Do. 10pc Cv.91/96	£150	11.8	Q10%	—	6.8	—
Sept.	April	Bk. Leumi AI£1	22	304	Q16%	—	5.2	—
Aug.	Feb.	Bk. Leumi (UK) £1	220	11.8	7.25	—	5.1	—
June	Dec.	Bk. N.S.W. $A2	680xd	12.12	Q28c	—	2.3	—
Oct.	May	Bank Scotland £1	283	6.10	†8.31	3.5	4.5	9.6
AP.Jy.O.JA.		Bankers N.Y. $10	£21⅞	23.9	Q$3.00	—	6.7	—

BUILDING INDUSTRY—*Continued*

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
Nov.	May	Manders (Hldgs.)	33	5.5	†1.9	2.9	9.0	5.9
Dec.	Apr.	Marchwiel	114	1.12	12.77	6.6	3.7	6.7
Aug.	Mar.	Marley	91	16.6	2.86	2.6	4.8	9.9
Apr.	Sept.	Marshalls (Hfx.)	74	22.8	4.26	2.5	9.0	6.8
Feb.	Aug.	May & Hassell	76xd	12.12	†2.29	8.2	4.6	4.1
Aug.	Feb.	Mears Bros.	19	28.7	1.52	1.4	12.3	8.7
Jan.	July	Melville D. & W.	62	1.12	g3.32	3.9	8.2	5.1
Feb.	Sept.	Meyer (Mont. L.)	58½	28.7	1.91	3.9	5.0	7.9
July		Milbury	56	30.6	1.92	3.2	5.5	8.7
Apr.	Nov.	Miller (Stan) 10p	20	20.10	d1.54	2.2	11.8	5.8
Oct.	Apr.	Mixconcrete	47	8.9	2.21	0.4	7.2	56.3
Nov.	May	Mod. Engineers	40	20.10	†d2.57	2.3	9.9	6.8
Mar.	July	Monk (A.)	40	30.6	3.93	0.8	16.1	12.3
May		Mowlem (J.)	74	17.7	b4.43	3.5	9.2	6.0
May		Newarthill £1	62	21.4	4.0	1.9	9.9	8.0
Apr.	Sept.	North'n Dev. 10p	10¢	27.4	†1.35	—	—	—
Apr.	Sept.	Norwest Holst	40	13.11	0.87	—	3.3	—

DRAPERY AND STORES—Continued

ENGINEERING—Cont.

HOTELS—Continued

INDUSTRIALS (Miscel.)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 69¼% (based on $2.0200 per £)

CANADIANS

S.E. List Premium 69¼% (based on $2.0540 per £)

Conversion factor 0.5903 (0.5909)

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

MINES

CENTRAL RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Aug. Feb.	Durban Deep R1	330	30 6	Q20c	ϕ	3.4
Aug. Feb.	E. Rand Prp. R1	530xd	12 12	Q35c	ϕ	3 6
—	Rand Leases 2½c	26	6 55	—	—	—
— —	Randf'in Est. £	£16½	12 70	—	—	—
Aug. Feb.	West Rand R1	140xd	12 12	Q10c	ϕ	3 9

EASTERN RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
May Nov.	Bracken R1	175	22.9	Y52c	1.0	16.4
February	Daggafontein 50c	10	172	—	—	—
Aug. Feb.	East Dag R1	36	12 73	—	—	—
Aug. Feb.	Grvt Areas 5c	140¢	6.10	—	—	—
Aug. Feb.	Grootvlei 30c	120	30 6	Q20c	ϕ	9 5
May Nov.	Kinross R1	425	22 9	Q54c	1 4	7 0
May Nov.	Leslie 70c	61	7 4	Q18c	1 4	16 3
Aug. Feb	Marievale 70c	205	30 6	Q42c	ϕ	11 8
Aug. Feb.	S African Ld 35c	200	30 6	Q30c	ϕ	8 6
Aug. Feb	Vlakfontein R1	96	30 6	Q20c	ϕ	12 0
May Nov.	Winkelhaak R0	660	22 9	Q108	1 1	9 0
Sept.	Wit. Nigel 25c	38	6 73	—	—	1.4

FAR WEST RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Feb. Aug.	Blyvoor 25	660xd	12 12	‡Q100c	1.3	‡
Feb. Aug.	Buffels R1	£13xd	12 12	Q160c	1 4	7 7
—	Deelkraal R0.20	188	—	—	—	—
Feb. Aug.	Doornfontein R1	660	30 6	‡Q110c	1 4	‡
Aug. Feb.	East Drie R1	920	30 6	Q75c	ϕ	4 6
Feb. Aug.	Elsburg R1	180xd	12 12	Q55 8c	ϕ	10 4
Feb. Aug.	Hartebeest R1	£16xd	12 12	Q215c	1 4	7.4
Feb. Aug.	Kloof Gold R1	660	30 6	Q55c	1 4	4 7
Feb. Aug.	Libanon R1	600	30 6	‡Q110c	1 9	‡
— —	Southvaal 50c	660	12 74	Q8c	ϕ	0 7
Aug. Feb.	Stilfontein 50c	215xd	12 12	Q36c	ϕ	9 3
Aug. Feb.	Vaal Reefs 50c	£19½	30 6	Q175c	ϕ	5 1
Feb. Aug.	Venterspost R1	330	30 6	‡Q70c	1 9	‡
Feb. Aug.	W. Drie R1	£35½	30 6	‡Q485c	1 2	‡
Feb. Aug.	W'st'rn Areas R1	295xd	12 12	Q52c	ϕ	9 7
Feb. Aug.	Western Deep R2	£14½	30 6	Q147½c	ϕ	5.5
Feb. Aug.	Zandpan R1	290xd	12 12	Q35½c	1 0	6 8

OILS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
May	Anglo-Ecuad. 50p	69	21.3	Q7.1%	4 0	5.1	5.5
— —	Ass.Aus.Res.SA1	155	—	—	—	—	—
January	Attock 20p	56	22.8	0.84	1.8	2.3	37 0
—	Ball & Collins £0	40	—	—	—	—	—
Nov. May	Berry Wiggins	52xr	22.9	t1.92	b1.8	5.7	14.7
Dec. July	Brit. Borneo 10p	124	17 11	†5.04	1.4	6.3	15.4
Nov. May	Brit. Petrol'm £1	555	8.9	†16.86	0.9	4.7	(13.7)
Jan. July	Do. 8% Pf. £1	61xd	12.12	5.6%	12.7	14.1	—
Jan. July	Burmah £1	29	10 74	‡5.36	—	‡	—
Feb. Aug.	Do.8½ Ln.91 96	£37	16.6	Q8½%	1.8	e26 1	—
—	CCP N Sea Asso. £1	£16½	—	—	—	—	—
Dec. Apr.	Century 10p	34½	1.12	t2.18	2.5	9.7	7.1
July	Cie Fr. Petroles B	£23¼	—	12fr.	2.5	5.6	7.1
—	Endeavour 50c	15	—	—	—	—	—
—	Int. Oil 50c	30	—	—	—	—	—
May	Oil Expl. 10p	59	7 4	1.61	2.3	4.2	16.2
— —	Pan Ocean $0.01	780	—	—	—	—	—
— —	Premier Cons. 5p	8	—	—	—	—	—
—	Ranger Oil	£10¼	—	—	—	—	—
—	Reynolds Div. 1c	4½	—	—	—	—	—
Oct. Apr.	R. Dutch fl.20	£31½	15.9	†Q40%	3.8	4.5	5.8
Nov. May	Shell Trns. Reg.	364	22.9	g12.78	4.7	5.4	4.6
Feb. Aug.	Do. 7% Pf. £1	57½	14 7	Q4.9%	67.6	13.1	—
—	Siebens (U.K.) £1	225	—	—	—	—	—
—	Sth. Pac. Pet. 50c	27	—	—	—	—	—
— —	Sunningdale Oils	475	—	—	—	—	—
May Nov.	Texaco 4¾% Cnv.	£58	22.9	Q4¾%	—	f8.2	—
—	Timor 35c	7½	—	—	—	—	—
Jan. June	Tricentrol	50	11 74	b0.71	3.6	2.2	14.0
— —	Ultramar	196	11 65	—	—	—	5.8
— —	Weeks Nat. 10cts.	80	—	—	—	—	—
— —	Do. Pfd. Ord 10c.	80	—	Q15¾c	—	1.1	—
— —	Do. Options	30	—	—	—	—	—
— —	Wood-Bros. A50c	148	29.11	—	—	—	—

OVERSEAS TRADERS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
—	Agar Cross £1	12	12.61	—	—	—	—
Mar. Sept.	Anglo-Thai Corp.	152	8.9	ϕt5.85	15.0	5.9	7.4
Apr. Oct.	Australian Agr.	88	16.9	0.68	—	1.2	—
Apr. Oct.	Berisford (S. & W.)	130xr	11.8	t5.91	5.7	7.0	7.8
Dec. June	Booker McC. 50p	149	17 11	t5.76	3.9	6.0	6.6
July Nov.	Boustead (10p)	22½xd	12.12	1.08	3.4	7.4	9.9
December	Caroni 10p	6½	1.12	1.3	ϕ	30.8	ϕ
Nov. June	Finlay (Jas.) 50p	134	3.11	g4.14	4.6	4.8	7 6
July	Gill & Duffus	130	3.11	3.50	b4.0	4.1	8.8
May	Gt. Nthn. £10	£45	26.5	Q12%	1.5	3.8	17.3
May Dec.	H'ris'ns. Cros. £1	837	1.12	129.0	5.0	5.3	8.7
Apr. Sep.	Hoffnung (S.)	94	22.8	3.44	2.2	5.6	10.7
Sep. Apr.	Inchcape £1	345	11.8	6.93	4.5	3.1	11.0
—	Jacks Wm.	14	773	—	—	—	4.2
Mar. Oct.	Jamaica Sugar	13	12 64	—	—	—	8.8
Apr. Oct.	Lonrho	112	8.9	3.96	4.6	5.4	5.1
June Jan.	Mitchell Cotts	55½xd	12.12	3.02	ϕ	8.4	ϕ
Dec. Aug.	Ocean Wlsns. 20p	95	17.11	t2.31	6.7	3.7	5.2
Apr. Dec.	Pat'son. Zoch.	440	3.11	7.0	6.9	2.4	9.1
Apr. Dec.	Do. 'A' N/V	430	3.11	7.0	6.9	2.5	8.9
Feb. Aug.	Sena Sugar 50p	8	3.11	B—	—	—	0.4
May Nov.	ΔSime Darby 10p	104	20.10	Q20%	2.2	1.9	42.1
August	ΔS.A. Dist. W. £1	450	2.6	ϕQ24½c	6 4	3.5	4.5

RUBBERS AND SISALS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
July Dec.	Anglo-Ind'n'sn	36	5.5	2.5	2.4	10.7
Sept.	Bertam Con. 10p	31	8.9	1.51	1.2	7.5
August	Bradwall 10p	62	30.6	2.01	2.9	5.0
July Feb.	Castlefield 10p	70	30.6	2.06	ϕ	4.6
November	Chersonese 10p	25	22.9	1.03	2.2	6.3
December	Cons. Plants 10p	51½	20.10	5.00	0.8	8.7
Jan. May	Gadek 10p	56	10.3	1.88	0.7	5.3
May Dec.	Golden Hope 10p	44	3.11	1.97	3.5	6.9
August	Grand Central 10p	6	7.74	d0.5	1.7	14.0
Apr. Oct.	Guthrie £1	152	16.6	h21.0	0.8	11.1
Feb. July	ΔHighlands 10p	34	2.6	‡1.45	1.1	‡
Sept. Mar.	Kuala Kepong M$1	34½	8.9	†Q10%	1.2	5.0
Jan. July	ΔKulim 50c	24	20.10	†1.36	1.6	8.7
Jan. June	Ldn. Asiatic 10p	41½xd	12.12	†2.1	4.1	7.8
October	Ldn. S'm'tra 10p	29	11.8	1.1	1.6	5.8
Nov. July	ΔMalakoff 10p	90	5.5	‡Q40%	3 4	‡
May Nov.	Malayalam 10p	6	17.11	0.35	ϕ	9.0
November	Muar River 10p	42	20.10	1.41	1.7	5.2
Nov. May	Pataling 10p	38	22.9	†2.09	2.8	8.5
Feb. Aug.	Planter's Hgs. 10p	28	1.12	1.63	2.1	9.0
March	Sungei Krian £1	850	24.2	31.15	2.6	5.6

TEAS

India and Bangladesh

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
December	Assam Dooars £1	90	17.11	7.74	5.6	13.2
January	Assam Fron'r £1	90	17.11	7.15	ϕ	12.2
Sept.	Assam Invs. £1	46	17.8	3.00	5.3	10.7
Aug. Dec.	British Indian £1	90	1.12	4.7	1.3	8.3
July	Cessnock £1	230	—	—	—	—
August	Cons. Tea&Land £1	350	16 6	19.5	5.4	8.6
—	Empire Plant 10p	5¾	12 72	0.65	4.1	19.0
November	Jokai £1	117	17 11	7.15	4.6	9.4
January	Longbourne £1	64xd	12.12	3.5	6.5	8.4
January	McLeod Russ'l £1	130	1.12	5.87	3.4	6.9
Jan. June	Moran £1	103	3.11	5.76	6.1	8.6
—	Singlo Hldgs. 10p	6½xd	12.12	0.78	2.1	18.5
July	Teith Hldgs. £1	330	16.6	8.12	10.2	3.8
April	Warren Tea £1	71	30.6	5.92	1.6	12.8
July	West Nile Hlds. £1	320	16.6	13.43	4.4	6.5
July	Williamson £1	68	22.8	4.5	5.6	10.2

Sri Lanka

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
December	Central Prov.	7½	21.4	0.87	2.2	19.0
September	Clairmace 00p	50	14.7	6.0	ϕ	18.5
July	Lunuva £1	45	30.6	2.95	0.7	10.8
August	Uvah High £1	29	1.12	1.57	11.7	8.4
April	Tea Corporation	6	10 63	0.55	ϕ	14.0

Africa

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
May Nov.	Bandanga Hldg.	40¢	7 4	g3 17	2.4	12 7
April	Blantyre £1	180	5.5	15.27	2.8	13.1
April	Peacock Sas. 10p	29	6.10	t2.74	2.9	14.6
Aug. Jan.	Ruo Estates	42	24.2	3.95	2.8	14.4

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
May Sept.	M. Lyell 25c	90	—	Q5c	ϕ	3.2
—	Newmetal 10c	2½	—	—	—	—
June Nov.	North B. Hill $1	154	20.10	Q9c	1.4	3.3
—	North Kalg. 30c.	9	—	—	—	—
June Nov.	Oakbridge $A0	79	23 9	Q8c	0.9	5.8
—	Pacific Copr. 25c	18	—	—	—	—
— —	Pancont'l 25c	935	—	—	—	—
—	Paringa M&Ex. 5p	9	—	—	—	—
Apr. Oct.	Peko-Walls'd 50c	485	30.9	Q15c	ϕ	1.8
—	Poseidon 20c	200	30.6	—	—	—
— —	Vulture Min. 50c	12	—	—	—	—
—	Westmex 10c	4	—	—	—	—
Oct. Mar.	W. Mining 50c	158	8 9	‡Q8c	0 8	3.7
—	Whim Creek 20c	26	—	—	—	—

TINS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
September	Amal. Nigeria	42	22.9	5.62	1 6	20.6
Apl. Oct.	Ayer Hitam	153	8 9	13 0	1.8	13 1
June Oct.	Beralt Tin	16	1.12	21.75	—	16 8
Jan. July	Berjuntai M.5	340xd	12.12	‡Q$M2	ϕ	‡
Apr. July	Ex Lands 10p	16	16.6	15	3.8	14.4
Apr. Oct.	Geevor	157	8 9	12	2.3	11.8
Nov. May	Gold & Base 12½p	8	10 74	—	—	—
June Dec.	Gopeng Cons.	170	3 11	‡14.25	ϕ	‡
—	Hongkong	63	11 67	—	—	—
Sept. Mar.	Idris 10p	56	28 7	6 7	2.2	18.4
— —	Jantar 12½p	8½	4 67	—	—	—
Dec. Apr.	Kamunting 15p	44	20.10	7 0	1.2	24.4
July Dec.	Killinghall	135xd	12.12	Q50.0	ϕ	37 0
Apr. Dec.	London Tin 20p	150	3.11	7.0	1.3	7 2
Dec. June	Malay Dredging	170	1.12	10.7	2.0	9.7
June Dec.	ΔPahang	30	22.9	Qh2.6	ϕ	13.3
July Jan.	Pengkalen 10p	45	3 11	7.0	1.0	23.9
March	Petaling $M1	112	271	—	—	—
Jan. July	Saint Piran	20	11.8	0.63	3.5	4.8
Apr. Nov.	South Kinta (10p)	96	22.9	9.5	1.5	15.2
June Dec.	Sthn. Malayan	125	1.12	10.7	0.9	13.2
July Dec.	Sungei Besi 20p	35	2.6	‡6.0	3.0	‡
Mar. Oct.	Sungei Way $M1	29	9 74	ZQ10	—	6.0
Sept. July	Tanjong 15p	48	28.7	4.35	2.3	13.9
Jy Mar Sep	Tongkah Hb $M1	52	31.1	Q23%	0.6	8.4
Apr. Oct.	Tronoh	61	8.9	†4.02	3.5	10.1

COPPER

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—	Botswana RST R2	45	—	—	—	—
June Dec.	Messina R0.50	290	1 12	Q35c	1.9	6.7

MISCELLANEOUS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—	Burma Mine 17½p	8	19.5	m0.5	—	1.7
—	Charterhall 5p	26	3 67	—	—	—
—	Colby Mines $1	61	—	—	—	—
Aug. Feb.	Cons. Murch. 10c	780xd	12.12	Q80c	ϕ	5.7
— —	Laurasia	34	—	—	—	—
July	Northgate C$1	245	27 3	tQ25c	1 0	5.6
Jan. June	R.T.Z.	174	17.11	g5.51	4 4	4.9
—	Sabina Inds. C$1	111	—	—	—	—
—	Stanford Mines8	48	—	—	—	—
—	Tara Exptn. $1	£10½	—	—	—	—
— —	Yukon Cons. C$1	73	11 65	—	—	—

INDUSTRIALS—Continued

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
Apr. Oct.	Jentique 5p	9¾	6.10	0.49	2.4	7.8	8 1
December	Johns'n & B 12½p	15xc	14.10	hd0.78	1.4	4 2	20 4
Oct. Apr.	Johnson Clnrs.	36	8.9	†2 18	1.7	9.3	9.5
Feb. Aug.	Johnson Mth. £1	326xd	12.12	10.23	4.5	4.9	6.9
May Nov.	Judge Int.	27	1.12	1.85	1 7	10.5	8.5
May Dec.	Kalamazoo 10p	19½	20.10	1.57	1 4	12.4	8.9
June Jan.	Kelsey Ind. 12½p	48xd	12.12	2.63	ϕ	8.4	ϕ
April	Kennedy Sm. 10p	14	8 9	1.38	1.9	15.2	5.4
Nov. April	Kershaw (A.) 5p	687½	22.8	12.01	0.7	2.7	—
Oct. Apr.	Kleeman	214	3.11	†3.89	5 0	2.8	11.0
June	Kode Int.	25	17.11	†1.23	3.5	7.6	5 8
January	L.C.P. Hlds.	69xd	12 12	ϕ3.9	2.4	8.7	9.9
Apr. July	Wood (W.) 10p	5	6 73	±0.87	—	‡	—
January	Wood Hall	85	17 11	3.94	2.2	7.1	9.7
April Sept.	Yatton Furn 5p	6½	14 7	ϕ0.34	2.3	8 1	8.4
November	Zetters 5p	23	6.10	0.95	4 6	6.3	5.3

††INSURANCE

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
Feb. July	Brentnall Bd. 10p	90	14.7	†2.92	3 8	5.0	10.5
May Sept.	Britannic 5p	140	11 8	7.0	—	7.7	—
F.M.S.D	Comb. Ins. Am.$1	890	25.7	tQ66c	—	3.6	—
Nov. May	Comm. Union	136	22 9	6 77	—	7 7	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance, reserve allocations may preclude calculation of dividend cover.
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ▲ Same interim: reduced final and/or reduced earnings indicated
- § Based on 1973 profits.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 13

FINANCIAL TIMES

Monday December 15 1975

Russia puts efficiency before growth in new 5-year plan

BY MOIRA CUNYNGHAME

MOSCOW, Dec. 14.

THE SOVIET economy will expand at a slower rate in the next five-year period with the emphasis on efficiency and quality. The draft of the five-year plan, published to-day, gives lower growth targets for almost all spheres of the economy, with particularly low growth rates for the consumer sector.

At the same time, trade with the West is seen as continuing to expand at a substantial rate, an indication that no major changes in Soviet detente policy *are contemplated for the present.* The plan calls for foreign trade overall to increase by 30 per cent., the same as in the current plan, although this is one of the few targets which has been surpassed.

The draft of the plan will now be discussed at meetings and approved at the party congress in February. The final version will be published about a year later.

The final version of the present five-year plan gave generally higher growth rates and production targets than the draft plan and this may happen again. Now that the targets have not been met, it is the original draft form which is being used for comparison, not the final version.

During 1976-80, industrial output will grow by 35 to 39 per cent., with the production of capital goods increasing by 38 to 42 per cent. Production of consumer goods is to expand by only two per cent., from 30 to 32 per cent., marking a return to traditional priorities from attempts in previous years to alleviate consumer goods shortages.

The original lower figures given for the present five year plan were a 42 to 46 per cent. increase in industrial output, a 41 to 45 per cent. increase in capital goods production and a 44 to 48 per cent. increase in the production of consumer goods. The actual increase in industrial output was 47 per cent. and in the production of consumer goods 37 per cent.

The lower growth rate can be explained by the increasing complexity of the economy as well as the obvious failure to overcome old problems, most notably the failure to raise agricultural production sufficiently. The draft stresses many times that higher efficiency and quality are now the main aims.

The industries which are to expand most are chemicals and *machine building, where production* will increase by 60 per cent. over the five years.

In line with the past few years, Siberia and the East are to continue to be the focus of industrial development and the entire increase in the production of oil and gas will come from there. Oil production in 1980 is put at 620m. to 640m. tons, including gas condensate, and gas extraction at 400bn. to 435bn. cubic metres.

Agriculture is to receive 171.56bn. roubles (£110bn.), £26bn. more than during the five years now ending, and agricultural production is to increase by 14 to 17 per cent. The plans are based on an average grain harvest of 215m. to 220m. tons compared with an achieved average of just over 180m. tons during the present five-year period. Only once has there been a harvest of more than 200m. tons and the success of the plan as a whole will partly *depend on the success of agriculture.*

In line with the slower growth rate personal incomes will increase less rapidly. The plan foresees a *per capita* increase of 20 to 22 per cent. compared with the 30 per cent. increase promised for the 1971 to 1975 period. Housing construction will be actually less than promised in the present five-year plan.

Bowater may sell Ralli interests

By Michael Lafferty, City Staff

THE BOWATER GROUP is believed to be considering selling most of the financial operations of its subsidiary Ralli International.

Although a final decision has not yet been taken, Bowater yesterday described suggestions that the group's financial operations would be sold as "the sort of thing we would be bound to consider in the circumstances."

The company is also understood to be undertaking a full internal investigation into share and option dealings involving two senior Bowater executives, Mr. Malcolm Horsman, due to retire shortly as deputy chairman and joint managing director, and Mr. Alistair Goodlad, Conservative MP for Northwich.

Shares report

The investigation follows reports in the Sunday Times on November 16 about share-dealing activities of two private companies — Grove Securities and St. George's Square Securities — associated with Mr. Horsman and Mr. Goodlad.

The investigation, which, it is believed, is being carried out with the assistance of professional advisers, "will go much further than those mentioned in the Sunday Times article, but will include Mr. Horsman and Mr. Goodlad," the company confirmed.

"We are trying to satisfy ourselves that we know everything about all option and incentive schemes. We want to find out if they have been properly authorised."

£6.8m. loss

Bowater, whose traditional business is papermaking, merged with Ralli International, a financial group headed by Mr. Horsman, in September 1972. Mr. Horsman has announced his intention to resign his executive positions on January 31.

In the year to December 1974 Bowater's financial division, which includes property, banking and investment dealing, had a loss of £6.8m. on a turnover of £27m.

It is understood that the group's commodity businesses are not for sale.

THE LEX COLUMN

Fresh perspective on Plessey

The extension of Plessey's rights issue to ADR holders in the U.S. has meant that considerable information—not pre*viously known and not yet* publicly available in the U.K.—has been disclosed in the registration statement with the Securities and Exchange Commission. In particular there is for the first time a breakdown of profits between activities. This shows that telecommunications has accounted for a consistently high share of the pre-interest total and a disproportionately large one relative to sales partly because of problems elsewhere, for example, in components in the U.S.

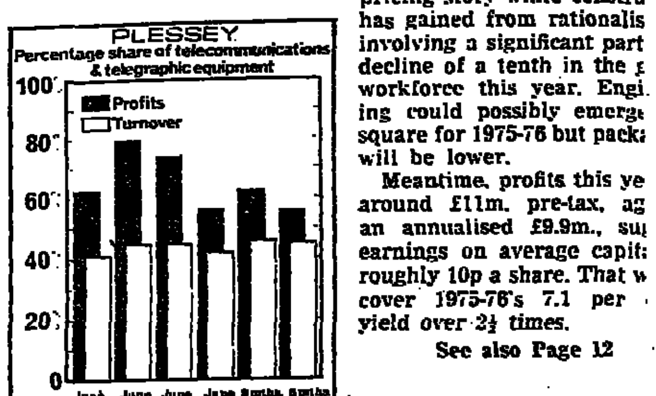
The profits split also suggests that the contribution from Post Office work has been higher than the 24 per cent. to 28 per cent. share of overall turnover of the last five years. The decline in demand has already *been reflected in a drop to 24* per cent. in the P.O. share of sales in the six months to the end of September from 27 per cent. in the previous nine months. The backlog of P.O. orders has fallen during the last 12 months by nearly 2 per cent. to £150m., though the cutback here has been partly offset by additional overseas orders for electronic telephone equipment and exchanges.

Overall, the value of outstanding orders has risen by only 7½ per cent. during the last 12 months to around £500m. on September 30 with half due for delivery after next March. The continuing success in electronic equipment, including radio and radar, is reflected in an increase in both its absolute *level of profits and its relative* share—32 per cent. in the last six months, compared with 22 per cent. in 1974-75—despite the recent difficulties of Garrard record changers.

In contrast, the contribution from electronic and mechanical components (notably semi-conductors in the U.S.) has dropped even further: at the peak in 1973-74 it chipped in 22 per cent. of sales and 14 per cent. of profits, in 1974-75 the figures were 18 and 8 per cent. and over the last six months they were 16 and 4 per cent. Orders here have been improving, and recent reports from the semi-conductor industry in the U.S. indicate a firmer trend both in demand and prices in October. But this is unlikely to *make much difference to the* 1975-76 results.

Despite the drop in the general level of activity, working capital has still climbed by *£7.8m.* since March — chiefly because of a rise in debtors—after a £2.8m. drop in the *previous* nine months. The increase would have been even larger but for a jump in advance and progress payments of £11.6m. to £35.8m., which may be explained by the greater number of long-term export contracts.

There has only been a small change in gearing over the past



six months with net debt up £11m. to £66.2m. (partly affected by the depreciation of sterling), and tangible net worth £7m. higher at £184m. While Plessey seems bound to *face mounting* working capital pressures from next year onwards, there is nothing in the registration statement to suggest many obvious immediate benefits in the rights issue from the shareholders' point of view. Since the announcement, the shares have dropped 7p to 71p, which is only 15½ per cent. above the rights price.

Norcros

Norcros' interim profits are not quite a tenth ahead at £4.7m. pre-tax and similar growth can be expected for 1975-76 as a whole. That looks a modest return for a share price which at 79p has effectively risen some three-fifths since August. Sales volume to date has been minimal; and with the group rapidly emerging from its loss elimination / rationalisation phase earnings progress next year is going to lean much more on levels of demand.

Still, this year's funding package has transformed the group balance sheet. Tangible *shareholders funds* at September totalled some £29m. while borrowings stood at £18m. net of about £6½m. in cash. Cash levels are down to about currently but Norcros' s ing on fixed assets remains within rates of cash flow working capital levels hav increased since March. latter partly reflects activity since the ove operations are the only area of volume growth; profits here are now u almost 17 per cent. of the The return to profits in sumer products is most pricing story while constru has gained from rationalis involving a significant part decline of a tenth in the g workforce this year. Engi ing could possibly emerge square for 1975-76 but packa will be lower.

Meantime, profits this ye around £11m. pre-tax, ag an annualised £9.9m., su earnings on average capit roughly 10p a share. That w cover 1975-76's 7.1 per yield over 2½ times.

See also Page 12

Daimler-Benz

Pending details of Chrysler rescue and Br Leyland's 1974-75 losses, prospectus for the offerin Deutsche Bank's holding Daimler-Benz is a reminder *one part of the world's m* industry is still flourish Daimler confirms that pa company earnings, which v only marginally lower in 1 will return to 1973 levels year. Capital spending Germany will be well up to 1970's annual average of £14 and will be financed in the s way—more than four-fifths the spend has been covered depreciation in recent years.

Passenger car production risen by 2½ per cent. in b 1974 and 1975—with the p portion powered by di rising from 35 to 45 per ce over the two years—and a mu more rapid expansion in co mercial vehicles has taken th side up to just over half wor sales.

The upshot is that the *sha* price, alone among the worl motor majors, stands close to high point for the 1970s, on earnings multiple well up the 'teens. For its p Deutsche Bank is not mak much of a return on what m have looked like a risk inv ment at the beginning of year. But it has appare gained substantial public political kudos by its succes efforts to keep the shares German hands.

Economic co-operation talks open this week

By Robert Mauthner

PARIS, Dec. 14.

THE NORTH-SOUTH dialogue between 27 industrialised, oil-producing and other developing countries—officially named the Conference on International Economic Co-operation—opens here on Tuesday with the formidable task of laying the foundations of a new relationship between the world's richest and poorest nations.

The original idea came from Sheikh Yamani, Saudi Arabian Oil Minister, but the main architect of the conference has been President Giscard d'Estaing of France.

The whole range of the most important problems affecting the relations between oil producers, consumers and non-oil developing countries will be dealt with in four special commissions.

These commissions — on energy, development aid, raw materials and finance — may go on meeting for as long as two years, although it is understood they will be asked to present their first reports to another plenary meeting of Ministers in six months' time.

The main task of this week's meeting of Foreign Ministers will be to set up the Commissions, to decide on where they are to meet—probably in Paris—on the duration of their work and on their chairmen.

Wrangling

The conference itself and all the commissions will have two co-chairmen, representing the *eight industrialised representa*tives on the one hand, and the 19 oil-producing and developing countries, on the other.

Canada and Venezuela have already been chosen as joint chairmen of the Ministerial session, which will be formally opened by President Giscard d'Estaing.

After much preliminary wrangling, the industrialised camp agreed on its commission co-chairmen at the week-end, but the oil producers and developing countries are not expected to announce their nominees until to-morrow or the beginning of the conference.

The U.S. finally won its battle against the Common Market for co-chairmanship of the much-coveted Energy Commission, and will probably have Saudi Arabia as its opposite number, in return for which the EEC will get Development Aid and Finance, while Japan will co-preside over the Raw Materials Commission.

Cottrell wants go-ahead on fast 'breeder' reactor

BY DAVID FISHLOCK, SCIENCE EDITOR

SIR ALAN COTTRELL, former chief scientific advisor to the Cabinet and a top adviser on nuclear safety, is backing a call for Britain to press on with its most contentious nuclear project so far—the fast "breeder" type of reactor.

In a letter published in the Financial Times to-day Sir Alan lends his support to the case for building a commercial-scale demonstration reactor "as early as possible."

In a previous letter to the Financial Times, soon after his retirement early last year, he raised major questions about the safety of pressure vessels required for some foreign nuclear reactor designs — questions which a high level Government scientific committee has spent the past 18 months trying to answer.

Sir Alan's analysis of U.K. energy prospects is particularly opportune because Mr. Anthony Wedgwood Benn, secretary for energy, is expected to appear before a Parliamentary select committee later to-day to answer questions on U.K. energy resources.

Sir Alan also believes it essential that Britain should make a much bigger effort to develop robot methods for raising coal from difficult seams, and in the conversion of coal into oil and gas.

The case for the fast reactor was argued by Sir Brian Flowers, chairman of the standing Royal Commission on environmental pollution, in a letter to the Prime Minister, published earlier this month.

The Royal Commission's view is that the "serious fundamental difficulties" which the Government has been advised are still associated with this reactor—a nuclear system which promises to use its fuel 50 or 80 times more efficiently than any to-day—could best be resolved by embarking on a large-scale demonstration, costing perhaps £500m. to £1bn.

But it asks for certain major constraints, not least of which is that Britain should proceed alone and should keep the project free from commercial pressures.

Reference to "serious fundamental difficulties" caused the Royal Commission's letter to be misinterpreted in some quarters as an attack on the fast reactor —which it was not. At one stage, the Department of Energy was considering making its own statement "clarifying the position," and Mr. Wedgwood Benn may well be invited to do so to-day.

But the letter did warn of the dangers of pursuing the Government policy of co-operation with its EEC partners for the next stage in fast reactor development. Its warning was underscored yesterday by publication of a House of Lords select committee report on nuclear safety, criticising the EEC idea of centralising nuclear approval procedures in Brussels.

£62m. experiment

The report contends that the U.K.'s ability to make "direct representations on this sensitive subject to accessible elected representatives or at a public inquiry is a valuable safety-valve which would be lost."

In his letter to-day, Sir Alan Cottrell also attacks the EEC. for being "dilatory" in its approach to *another long-term energy prospect*—thermonuclear fusion.

Fusion is scheduled to come before the Council of Ministers in Brussels to-day, when they will debate plans for a £62m. fusion energy experiment called the JET (Joint European Torus). But bickering about the siting of the JET—the latest EEC proposal is that it should be in Italy rather than near one of the major European centres of fusion re*search in Britain, France or West* Germany—and the high cost of what will still only be an experimental apparatus and not a demonstration of fusion energy, has apparently diminished enthusiasm among the Nine.

Sir Alan's letter offers six reasons why he believes that nuclear energy cannot bridge the wide gap forecast in U.K. long-term energy requirements, once North Sea resources begin to *diminish. One is the "lack of* public support for a great expansion of nuclear energy until more experience has been gained." He contends that, since it has now been shown that the so-called "benign and renewable" energy resources can satisfy no more than "a minute part of our needs," two major energy developments will be essential for the U.K.

One is an economic means for extracting coal from difficult deposits, "almost certainly" by robot. The other is a technique for making high-grade, low-sulphur oil and gas from coal. The U.K. effort in this field, "while good for its size, is nowhere near large enough to achieve such objectives in the time available."

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Victory for Fraser

four members in the Inner Cabinet.

Mr. Anthony is pressing strongly for control of trade and minerals and energy policy.

There have also been recurring reports in recent weeks that the NCP will be urging an immediate devaluation for the benefit of rural producers. The idea is being strongly opposed by the Treasury and senior Liberals.

Mr Fraser has undertaken to reduce the number of Government departments and simplify the machinery of Government but, so far, has given no details.

The first major review of Government administration in 40 years has been undertaken by a Royal Commission, expected to report in February, and it will present Mr. Fraser with some major decisions on the longer-term shape of his Government.

Mr. Fraser and his likely Foreign Minister, Mr. Andrew Peacock, have already dismissed the Labor strategic assessment that there was no direct threat to Australia in sight over the next 15 years. Mr. Peacock has said "Security" would be restored to a central role in foreign policy but the Liberal-NCP Government would not be backward-looking or militaristic, he said.

● Australia's rejection of Socialism had been a shot in the arm for Conservatives in Britain, Mrs. Margaret Thatcher, Opposition leader, has said in a telegram to Mr. Fraser.

Jobless 'could total $1\frac{3}{4}$m. by end of 1976'

UNEMPLOYMENT could rise to nearly 1¾m. by the end of 1976 unless a change occurs in Government policy, the Henley Centre for Forecasting predicts in its December issue.

Next year, companies will be able to expand production without increasing employment in many industries through better use of manpower or increased overtime working, the Centre adds.

It predicts that unemployment, excluding school-leavers and students, will approach 1½m. by the end of 1976. In the absence of changes in Governmental policy, unemployment would rise to nearly 1¾m.

Because this would strain beyond breaking point the accord between Government and unions, the Centre predicts that direct taxation will be cut in the March Budget above the level required to compensate for inflation.

"Real incomes will then rise modestly through 1976, though for the year as a whole, incomes will be down on 1975."

Continued from Page 1

Goldsmith-Haw Par talks

1976, and the rest over several years.

Criticism which Mr. Goldsmith *expects to see levelled at the* Haw Par-SWS (HK) transaction is that it was not on an arm's length basis, and that the price paid is therefore open to question. There also appears a possibility that certain objections as to the legal basis of the deal may be raised.

In answer, it seems likely that Mr. Goldsmith will produce documents showing that a sharp exchange of views as to the justification for the price of $HK4.40 a share, on which the deal was eventually done, took place between the Haw Par directors and those of SWS. In the course of this, telex messages to Mr. Slater in London from Mr. Donald Ogilvy Watson, then Haw Par's managing director, as well as Mr. Tarling expressed strong doubts as to the justification for the terms proposed.

However the present SWS Board under Mr. Goldsmith is thought to have figures showing that the net asset value of SWS (HK) was, at what it regards as the material time, more than HK$4.40 a share, though after the offer was *announced*, on November 9, 1973, market values fell sharply.

The forcefulness of the criticism expressed by Haw Par directors about the proposed Haw Par-SWS (HK) transaction during discussion leading up to it is vividly brought out in documents of the time, liberally quoted in the Singapore Stock Exchange report.

For instance, in a telex of October 22, 1973 to Mr. Slater in London, Mr. Tarling said: "Have been into the arithmetic of the deal as finalised by Michael (Booth) very carefully and quite honestly it is ludicrous from the Haw Par point of view. The assets of the company at September 30 were HK$3.55 per share. Since September 30, a further fall in the market has eroded the asset value to HK$3.41. The deal envisages Haw Par paying cash HK$4.40 to SW for 45 per cent. of SWS (HK).

"This would involve a cash outlay of $196m. for attributable assets of $122m. and attributable *recurring earnings, that is no* dealing profits, of $8.4m. before interest on the cash consideration. The deal also envisages offering in paper, plus a bit of cash, just over $5.00 for the 30 per cent. of the company held by the general public.

"This would involve a consideration of $120m. plus against attributable assets of $82m. and attributable recurring earnings of $5.6m.

"Bearing in mind that the Singapore Monetary Authority on Incestuous Deals wants to be satisfied that the parent is not tripping the associate, I cannot see that we have a hope in hell of convincing them and getting their consent on this arithmetic."

Ultimately after further discussions it was agreed to make the take over at HK$4.40 per SWS (HK) share. The present SWS Board believes the relevant figures show assets justifying this.

Weather

U.K. TO-DAY

FROSTY with fog and bright intervals in the East. Mainly cloudy in West. Cold.

London, South and North England, the Midlands

After some fog, mainly dry but cloudy. Max 5C (41F).

E. Anglia, East and N.E. England

Frost and fog clearing slowly with bright intervals later. Max. 4C (39F).

Channel Isles, S.W. England

Mainly cloudy and dry with some bright intervals. Max. 8C (46F).

Wales, N.W. England, Lakes, Isle of Man

Cloudy with some hill fog and occasional drizzle. Max. 9C (48F).

Borders, E. Scotland

Mainly dry and bright but cloudy later. Max. 7C (45F).

W. Scotland, Highlands, N. Ireland, Orkney, Shetland

Cloudy with occasional rain. Winds westerly fresh or strong. Max. 9C (48F).

Outlook: Rain spreading South becoming colder.

Lighting-up: London 16.21, Manchester 16.20, Glasgow 16.13, Belfast 16.28.

Snow Reports, Page 4

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	S	2	36	Madrid	C	6	43
Athens	S	16	61	Manchstr.	Fg	2	36
Bahrain	S	27	81	Melbourne	C	18	64
Barcelona	C	10	50	Milan	R	5	41
Belfast	C	7	43	Montreal	C	0	32
Belgrade	C	2	36	Moscow	Sn	−3	27
Berlin	S	1	34	Munich	Sn	0	32
Birmghm	Dr	1	34	Newcastle	F	8	47
Bristol	Dr	1	34	New York	C	10	50
Brussels	S	−1	30	Oslo	S	−3	27
Budapest	C	−1	30	Paris	S	1	34
B. Aires	S	25	77	Perth	F	28	82
Cairo	S	22	72	Prague	F	11	52
Cardiff	C	7	[illegible]	Reykjavik	C	2	36
Cologne	S	0	32	Rio de J'o	R	27	81
Copnhagn.	C	2	36	Rome	C	13	55
Dublin	C	6	43	Singapore	S	27	81
Edinb'gh	C	8	46	Stockholm	C	0	32
Frankfurt	S	1	34	Strasbourg	F	0	32
Geneva	C	3	37	Sydney	F	24	75
Glasgow	F	8	46	Tehran	S	7	45
Helsinki	C	−1	30	Tel Aviv	S	22	72
H. Kong	C	6	43	Tokyo	C	5	41
Jo'burg	C	21	70	Toronto	C	6	43
Lisbon	C	6	43	Vienna	Sn	1	34
London	S	4	39	Warsaw	S	0	32
Luxembg.	F	−2	28	Zurich	Sn	1	34

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	C	14	57	Jersey	C	4	39
Algiers	C	16	61	Las Plms.	C	19	66
Biarritz	C	4	39	Locarno	R	3	37
Blackpool	Fg	5	41	Majorca	C	15	59
Bordeaux	C	3	37	Malaga	C	10	50
Boulogne	S	4	39	Malta	F	19	66
Casablnca.	C	14	57	Nairobi	S	23	73
Cape Tn.	S	26	79	Naples	R	12	54
Corfu	C	14	57	Nice	C	10	50
Dubrovnik	S	14	57	Nicosia	R	18	64
Faro	S	13	55	Oporto	F	9	48
Florence	R	9	48	Rhodes	R	15	59
Funchal	R	12	54	Salzburg	R	0	32
Gibraltar	C	9	48	Tangier	F	13	55
Guernsey	F	6	43	Tenerife	C	14	57
Innsbruck	C	−1	30	Tunis	S	18	64
Inverness	C	7	45	Valencia	R	9	48
I. of Man	C	8	46	Venice	R	7	45

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dr—Drizzle. Fg—Fog. Sn—Snow

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